

AN ACT relating to postsecondary education and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the "Kentucky Postsecondary Education Improvement Act of 1997."

SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The General Assembly hereby finds that:

(a) The general welfare and material well-being of citizens of the Commonwealth depends in large measure upon the development of a well-educated and highly-trained workforce; and

(b) The education and training of the current and future workforce of the Commonwealth can provide its businesses and industries with the competitive edge critical to their success in the global economy and must be improved to provide its citizens the opportunity to achieve a standard of living in excess of the national average.

(2) The General Assembly declares on behalf of the people of the Commonwealth the following goals to be achieved by the year 2020:

(a) A seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life;

(b) A major comprehensive research institution ranked nationally in the top twenty (20) public universities at the University of Kentucky;

(c) A premier, nationally-recognized metropolitan research university at the University of Louisville;

(d) Regional universities working cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average;

1 (e) A comprehensive community and technical college system that ensures
 2 reasonable access throughout the Commonwealth to:

3 1. A two (2) year course of general studies designed for transfer to a
 4 baccalaureate program;

5 2. The training necessary to develop a workforce with the skills to meet
 6 the needs of existing companies and to attract new and expanding
 7 businesses and industries; and

8 3. Remedial and continuing education to improve the quality of life and
 9 employability of the citizens of the Commonwealth; and

10 (f) An efficient, responsive, and coordinated system of autonomous institutions
 11 that delivers educational services to citizens in quantities and of a quality
 12 that is comparable to the national average.

13 (3) The achievement of these goals will lead to the development of a society with a
 14 standard of living and quality of life that meets or exceeds the national average.

15 (4) The achievement of these goals will only be accomplished through increased
 16 educational attainment at all levels, and contributions to the quality of
 17 elementary and secondary education shall be a central responsibility of
 18 Kentucky's postsecondary institutions.

19 (5) The furtherance of these goals is a lawful public purpose that can best be
 20 accomplished by a comprehensive system of postsecondary education with single
 21 points of accountability that ensure the coordination of programs and efficient
 22 use of resources.

23 Section 3. KRS 164.001 is amended to read as follows:

24 As used in this chapter, unless the context requires otherwise:

25 (1) "Administrator" means the chief executive officer of the institution;

- 1 (2) "Adult basic education" means instruction in mathematics, science, social
 2 studies, reading, language arts, and related areas to enable individuals to
 3 function in society;
- 4 (3) "Board" or "governing board" means the board of trustees for the University of
 5 Kentucky or the University of Louisville, the board of regents for a regional
 6 university, or the board of regents for the Kentucky Community and Technical
 7 College System;
- 8 (4) "Board of regents" means the governing board of each regional university and
 9 the Kentucky Community and Technical College System;
- 10 (5) "Committee" means the Strategic Committee on Postsecondary Education
 11 created in Section 4 of this Act;
- 12 (6) "Council" means the Council on Postsecondary Education created in Section 71
 13 of this Act;
- 14 (7) "Customized training" means training in specific academic areas, work
 15 processes, or technical skills that are designed to serve a specific industry or
 16 industries to upgrade worker skills;
- 17 (8) "Institution" means a university, college, community college, health technology
 18 center, vocational-technical school, technical institute, technical college,
 19 technology center, or the Kentucky Community and Technical College System;
- 20 (9) "Kentucky Community and Technical College System" means the system
 21 composed of two (2) branches, which are:
- 22 (a) The Technical Institutions' Branch. This branch includes the
 23 postsecondary vocational-technical schools, state technical institutes, health
 24 technology centers, and technology centers, formerly known as Kentucky
 25 Tech and operated by the Cabinet for Workforce Development; and
- 26 (b) The University of Kentucky Community College System, formerly
 27 administered by the board of trustees of the University of Kentucky. This

1 branch does not include the Lexington Community College, which shall be
 2 administered by the board of trustees of the University of Kentucky.

3 The system also includes institutions created by the board of regents for the
 4 Kentucky Community and Technical College System and approved by the
 5 General Assembly;

6 (10) "Literacy" means an individual's ability to read, write, and speak in English and
 7 compute and solve problems at levels of proficiency necessary to function on the
 8 job and in society to achieve one's goals and develop one's knowledge and
 9 potential;

10 (11) "Lower division academic course" means any academic course offered for
 11 college or university credit that is designated as a freshman or sophomore level
 12 academic course;

13 (12) "Nonteaching personnel" means any employee who is a full-time staff member
 14 excluding a president, chancellor, vice president, academic dean, academic
 15 department chair, or administrator;

16 (13) "Postsecondary education system" means the University of Kentucky, University
 17 of Louisville, Eastern Kentucky University, Kentucky State University, Morehead
 18 State University, Murray State University, Northern Kentucky University,
 19 Western Kentucky University, and the Kentucky Community and Technical
 20 College System;

21 (14) "Relative" means a person's father, mother, brother, sister, husband, wife, son,
 22 daughter, aunt, uncle, son-in-law, or daughter-in-law

23 (15) "Remedial education" means any program, course, or activity that is designed
 24 specifically for students who have basic deficiencies in reading, written or oral
 25 communication, mathematics, study skills, or other skills necessary to do
 26 beginning college-level work as defined by the institution;

(16) "Standardized degree program" means a program, approved by the Council on Postsecondary Education, that consists of specific competencies, curriculum, and performance requirements regardless of the providing institution;

(17) "Strategic agenda" means the state strategic postsecondary education agenda described in Section 6 of this Act; and

(18) "Technical institution" means an educational unit that offers certificates, diplomas, or technical degrees in technical or occupational-related programs, including a facility called a vocational-technical school, technical institute, health technology center, technology center, technical college, or similar designation.

SECTION 4. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The Strategic Committee on Postsecondary Education is hereby created and established. The committee shall be composed of members appointed by the Council on Postsecondary Education, the Governor, and the General Assembly. The council's representatives shall consist of the chair of the council, the president of the council, and six (6) members of the council designated by the chair. The Governor's representatives shall consist of the Governor and seven (7) persons designated by the Governor. The General Assembly's representatives shall consist of the President of the Senate, the Speaker of the House of Representatives, the Majority and Minority Floor Leaders of both chambers of the General Assembly, the minority caucus chair of each chamber, and the chair of the Committee on Appropriations and Revenue of each chamber.

(2) The chair of the council shall serve as chair of the committee. The committee shall meet at least quarterly and at other times upon the written call of the chair or of majorities of any two (2) of the three (3) groups that compose the committee.

- 1 (3) Nonlegislative members of the committee shall serve without compensation, but
2 shall be reimbursed for their actual and necessary expenses, as set forth in KRS
3 12.070(5). Committee members who are Kentucky legislators shall be
4 compensated for attendance at committee meetings from the legislative branch
5 budget bill and as set forth in KRS 6.190.
- 6 (4) The committee shall serve as a forum for the council and the elected leadership
7 of the Commonwealth to exchange ideas about the future of postsecondary
8 education in Kentucky.
- 9 (5) The council shall periodically review the implementation plans for the strategic
10 agenda and advise the committee of the actions necessary to meet the goals
11 established in Section 2 of this Act. The elected leaders shall review and comment
12 on the strategic agenda and the timetable for implementation.
- 13 (6) The Governor shall advise the committee about the financial condition of the
14 Commonwealth and the probable funds the executive branch intends to
15 recommend to the General Assembly to be appropriated for postsecondary
16 education.
- 17 (7) The legislative members shall react to the comments of the council and the
18 Governor.
- 19 (8) The council shall advise the committee about its opinion of how the
20 postsecondary education funds projected to be available should be allocated
21 based on priorities and projected resources. Nothing in this section shall be
22 construed to infringe upon the Governor's duty under KRS 48.100 to recommend
23 appropriations to the General Assembly or upon the General Assembly's power to
24 make final appropriations in the enacted budget.
- 25 (9) The committee shall have the advisory authority not explicitly prohibited by
26 statute that is necessary to carry out and effectuate its advisory functions, duties,
27 and responsibilities, including the following:

- 1 (a) Receive reports from the council on the development and implementation of
 2 the long-term and biennial strategic agendas, including biennial budget
 3 plans for postsecondary education, and any subsequent and related strategic
 4 agendas and budget plans;
- 5 (b) Review the council's proposed biennial strategic agenda for the next fiscal
 6 biennium, including plans for accountability and the accomplishment of
 7 the objectives in the strategic agenda;
- 8 (c) Consider and advise the council on the general budget parameters
 9 regarding development of the postsecondary budget for the next fiscal
 10 biennium;
- 11 (d) Review biennial budget requests from the council for the next fiscal
 12 biennium including base funding, increases in base funding, and funding
 13 for a strategic investment and incentive funding program including criteria
 14 to be used in allocating these funds to institutions;
- 15 (e) Receive from the council, at least annually and on a more frequent basis if
 16 requested by the committee, accountability reports, budget information, and
 17 other information the committee deems proper; and
- 18 (f) Serve as the search committee for the review and consideration of
 19 candidates to be presented to the council for the initial appointment to the
 20 position of president of the Council on Postsecondary Education. Each
 21 group of the committee shall have one (1) vote on the search committee.
 22 The vote of each group shall be determined by a majority of the members of
 23 that group.

24 SECTION 5. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 25 READ AS FOLLOWS:

- 26 (1) Except for the first president appointed under subsection (2) of this section, the
 27 Council on Postsecondary Education shall set the qualifications for the position

1 of president of the council. The council shall employ a search firm and conduct a
 2 nationwide search for candidates. The search firm employed by the council shall
 3 consider and interview candidates for the position of president and propose three
 4 (3) candidates to the council, which may select one (1) of them as president. If
 5 the council so chooses, it may reject the first list of names and direct the search
 6 firm to submit a list of three (3) additional names from which it may select a
 7 president. The council shall repeat this process until it finds a satisfactory person
 8 to serve as president of the council.

9 (2) In the selection of candidates for the first president of the Council on
 10 Postsecondary Education, the Strategic Committee on Postsecondary Education
 11 shall serve as a search committee, employing a search firm for assistance. The
 12 committee shall recommend three (3) candidates to be considered by the council
 13 and shall repeat this process until it finds a satisfactory person to serve as the
 14 first president of the council. Once appointed, the president shall serve at the
 15 pleasure of the council.

16 (3) The president shall possess an excellent academic and administrative
 17 background, have strong communication skills, have significant experience and
 18 an established reputation as a professional in the field of postsecondary
 19 education, and shall not express, demonstrate, or appear to have an institutional
 20 or regional bias in his or her actions.

21 (4) The president shall be the primary advocate for postsecondary education and
 22 advisor to the Governor and the General Assembly on matters of postsecondary
 23 education in Kentucky. As the primary advocate for postsecondary education, the
 24 president shall work closely with the committee and the elected leadership of the
 25 Commonwealth to ensure that they are fully informed about postsecondary
 26 education issues and that the council fully understands the goals for
 27 postsecondary education that the General Assembly has established by law.

1 (5) The president may design and develop for review by the council new statewide
 2 initiatives in accordance with the strategic agenda.

3 (6) The president shall be compensated on a basis in excess of the base salary of any
 4 president of a Kentucky public university. The council shall set the salary of the
 5 president which shall be exempt from state employee salary limitations as set
 6 forth in KRS 64.640.

7 (7) The president shall determine the staffing positions and organizational structure
 8 necessary to carry out the responsibilities of the council and may employ staff.
 9 Personnel, with the exception of the executive director, employed by the Council
 10 on Higher Education on the effective date of this Act shall be transferred to the
 11 Council on Postsecondary Education at their same salary and benefit levels.

12 (8) The president shall be responsible for the day-to-day operations of the council
 13 and shall report and submit annual reports on the implementation plan of the
 14 strategic agenda, carry out policy and program directives of the council, prepare
 15 and submit to the council for its approval the proposed budget of the council, and
 16 perform all other duties and responsibilities assigned by state law.

17 (9) With approval of the council, the president may enter into agreements with any
 18 state agency or political subdivision of the state, any state postsecondary
 19 education institution, or any other person or entity to enlist staff assistance to
 20 implement the duties and responsibilities under Section 72 of this Act.

21 (10) The president shall be reimbursed for all actual and necessary expenses incurred
 22 in the performance of all assigned duties and responsibilities.

23 SECTION 6. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 24 READ AS FOLLOWS:

25 (1) The Council on Postsecondary Education shall adopt a strategic agenda that
 26 identifies specific short-term and long-term strategies to achieve the goals
 27 established by law.

(2) (a) The purpose of the strategic agenda is to further the public purposes under Section 2 of this Act by creating high-quality, relevant, postsecondary education opportunities in the Commonwealth. The strategic agenda shall:

1. Serve as the public agenda for postsecondary education for the citizens of the Commonwealth, providing statewide priorities and a vision for long-term economic growth;

2. State those important issues and aspirations of the Commonwealth's students, employers, and workforce reflecting high expectations for their performance and the performance of the educational institutions that serve them; and

3. Sustain a long-term commitment for change, while valuing market-driven responsiveness, accountability to the public, technology-based strategies, and incentive-based motivation.

(b) An implementation plan to be developed by the council shall follow from the agenda, and all institutional plans and missions shall further the strategic agenda.

(3) The framework for the implementation plan of the state's strategic postsecondary education agenda shall include the following elements:

(a) A mission statement;

(b) Goals;

(c) Principles;

(d) Strategies and objectives;

(e) Benchmarks; and

(f) Incentives to achieve desired results.

(4) The implementation of the strategic agenda shall take into consideration the value to society of a quality liberal arts education and the needs and concerns of the business community.

(5) The council shall develop objective measures to judge the performance of the postsecondary education system and progress toward achievement of the goals stated in Section 2 of this Act. Criteria used in establishing the benchmarks shall include, but not be limited to:

(a) Use of the statistical information commonly provided by governmental and regulatory agencies or specific data gathered by authorization of the council;

(b) Comparison of regions and areas within the Commonwealth, and comparisons of the Commonwealth to other states and the nation; and

(c) Measures of educational attainment, effectiveness, and efficiency including, but not limited to, those set forth in Section 82 of this Act.

(6) The council shall review the goals established by law at least every four (4) years and shall review the strategies and objectives at least every two (2) years.

SECTION 7. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) There is established and created in the Council on Postsecondary Education a Strategic Investment and Incentive Funding Program for postsecondary education to consist of a system of strategic financial assistance awards to institutions, systems, agencies, and programs of postsecondary education to advance the goals of postsecondary education as stated in Section 2 of this Act. There are established in the State Treasury the following individual strategic investment and incentive trust funds:

(a) A research challenge trust fund;

(b) A regional university excellence trust fund;

(c) A technology initiative trust fund;

(d) A physical facilities trust fund;

(e) A postsecondary workforce development trust fund; and

1 (f) A student financial aid and advancement trust fund.

2 (2) The funding program and the individual trust funds are created to provide
 3 financial assistance to the institutions, systems, agencies, and programs of
 4 postsecondary education each fiscal biennium. It is the intent of the General
 5 Assembly to make appropriations, including general fund appropriations, each
 6 fiscal biennium to each of the individual trust funds in the funding program in a
 7 form and manner consistent with the strategic agenda adopted by the Council on
 8 Postsecondary Education. Appropriations made to individual trust funds in the
 9 Strategic Investment and Incentive Funding Program shall not lapse at the end
 10 of a fiscal year but shall be carried forward in the respective trust fund accounts
 11 and shall be available for allotment for their respective purposes in the next fiscal
 12 year.

13 SECTION 8. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 14 READ AS FOLLOWS:

15 (1) The individual trust funds in the Strategic Investment and Incentive Funding
 16 Program may receive state appropriations, gifts and grants from public and
 17 private sources, and federal funds. Any unallotted or unencumbered balances in
 18 the individual trust funds shall be invested as provided for in KRS 42.500(9).
 19 Income earned from the investments shall be credited to the appropriate trust
 20 fund accounts.

21 (2) All capital projects funded through appropriations to one (1) of the individual
 22 trust funds shall adhere to the capital processes created in KRS Chapters 7A, 45,
 23 45A, and 48.

24 (3) Debt service appropriations for bond-supported capital projects funded through
 25 one (1) of the individual trust funds shall be made to the individual trust fund.
 26 Allotment of the appropriations shall be made to the university, Kentucky

1 Community and Technical College System, or agency authorized to issue the
 2 bonds to finance the capital project.

3 SECTION 9. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 4 READ AS FOLLOWS:

5 (1) The Council on Postsecondary Education shall make a biennial budget request to
 6 the General Assembly and to the Governor with regard to specific funding
 7 amounts to be appropriated to each individual trust fund in the Strategic
 8 Investment and Incentive Funding Program and funding to be appropriated to
 9 the base budgets of the institutions, systems, agencies, and programs.

10 (2) Funds appropriated for the Strategic Investment and Incentive Funding Program
 11 shall be for the purpose of encouraging the activities of institutions, systems,
 12 agencies, and programs of postsecondary education in accordance with the goals
 13 of the strategic agenda adopted by the Council on Postsecondary Education.

14 SECTION 10. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 15 READ AS FOLLOWS:

16 (1) (a) The research challenge trust fund created by Section 7 of this Act may
 17 include separate, subsidiary programs and related accounts, such as an
 18 Endowed Professorship Matching Program, an Endowed Chairs Matching
 19 Program, an External Research Grant Matching Program, a Graduate
 20 Assistant Program, a Junior Faculty Research Encouragement Program, or
 21 other programs and related accounts as determined through the biennial
 22 budget process for the Council on Postsecondary Education.

23 (b) Appropriations to the research challenge trust fund are to encourage
 24 research activities at the University of Kentucky and at the University of
 25 Louisville so that these institutions may achieve the goals established in
 26 Section 2 of this Act.

1 (c) Funds appropriated to the research challenge trust fund shall be
 2 apportioned two-thirds (2/3) to the University of Kentucky and one-third
 3 (1/3) to the University of Louisville.

4 (2) The Council on Postsecondary Education shall develop the criteria and process
 5 for submission of an application under this section. The University of Kentucky
 6 and the University of Louisville may apply to the council for financial assistance
 7 from the research challenge trust fund. The council shall determine the
 8 matching funds or internal reallocation requirements from the applicants to
 9 qualify for funding. Financial assistance that may be awarded by the council
 10 shall be consistent with the adopted strategic agenda, the biennial budget process,
 11 and the availability of any resources to the research challenge trust fund.

12 SECTION 11. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 13 READ AS FOLLOWS:

14 (1) (a) The regional university excellence trust fund created by Section 7 of this
 15 Act shall consist of six (6) separate accounts: one (1) for Eastern Kentucky
 16 University; one (1) for Kentucky State University; one (1) for Morehead
 17 State University; one (1) for Murray State University; one (1) for Northern
 18 Kentucky University; and one (1) for Western Kentucky University.

19 (b) Funds appropriated to the regional university excellence trust fund or any
 20 subsidiary fund created by the Council on Postsecondary Education shall be
 21 apportioned to each of the regional universities proportional to their
 22 respective share of total general fund appropriations in each fiscal year,
 23 excluding debt service appropriations and specialized, noninstructional
 24 appropriations.

25 (c) The purpose of the regional university excellence trust fund is to provide
 26 financial assistance to encourage regional universities to develop
 27 nationally-recognized programs of distinction and nationally-recognized

applied research programs consistent with the goals established in Section 2 of this Act.

(2) The council shall develop the criteria and process for submission of an application under this section. Each university may apply to the council for financial assistance from the regional university excellence trust fund. The council shall determine the matching funds or internal reallocation requirements from the applicants to qualify for funding. Financial assistance that may be awarded by the council shall be consistent with the adopted strategic agenda, the biennial budget process, and the availability of any resources to the regional university excellence trust fund.

SECTION 12. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) (a) The technology initiative trust fund created by Section 7 of this Act is intended to support investments in electronic technology for extending access to postsecondary education throughout the Commonwealth and for improving student learning.

(b) The Council on Postsecondary Education may establish separate subsidiary programs and related accounts to provide financial assistance to the postsecondary education system in acquiring the infrastructure necessary to acquire and develop electronic technology capacity; to encourage shared program delivery among libraries, institutions, systems, agencies, and programs; to provide funding for the Commonwealth Virtual University under Section 16 of this Act; and other programs consistent with the purposes of postsecondary education, the adopted strategic agenda, and the biennial budget process.

(2) The council shall develop the criteria and process for submission of an application under this section. Any university and the Kentucky Community and

Technical College System may apply to the council for financial assistance from the technology initiative trust fund. The council shall determine the matching funds or internal reallocation requirements for the applicants to qualify for funding. Financial assistance that may be awarded by the council shall be consistent with the adopted strategic agenda, the biennial budget process, and the availability of any resources to the technology initiative trust fund.

SECTION 13. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The physical facilities trust fund created by Section 7 of this Act is intended to provide financial assistance for the construction, improvement, renovation or expansion of the physical facilities of the postsecondary education system.

(2) The Council on Postsecondary Education shall develop the criteria and process for submission of an application under this section. Each university or the Kentucky Community and Technical College System may apply to the council for financial assistance from the physical facilities trust fund. Financial assistance that may be awarded by the council shall be consistent with the adopted strategic agenda, the biennial budget process, and the availability of any resources to the physical facilities trust fund.

SECTION 14. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The postsecondary workforce development trust fund created by Section 7 of this Act is intended to provide financial assistance to further cooperative efforts among community colleges and technical institutions and for the acquisition of equipment and technology necessary to provide quality education programs.

(2) The Council on Postsecondary Education shall develop the criteria and process for submission of an application under this section. The Kentucky Community and Technical College System may apply to the council for financial assistance

from the postsecondary workforce development trust fund. Financial assistance shall be awarded for instructional programs ensuring that the community colleges and the technical institutions are able to continually acquire state-of-the-art equipment and technology needed to accomplish their missions.

SECTION 15. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) (a) The student financial aid and advancement trust fund created by Section 7 of this Act is intended to provide financial assistance that encourages student access to postsecondary education including technical institutions and colleges, community colleges, state-supported universities, and accredited private colleges and universities.

(b) Appropriations shall be made to the trust fund and allotted to universities and the Kentucky Community and Technical College System or to the Kentucky Higher Education Assistance Authority as the Council on Postsecondary Education deems appropriate. Appropriations made to this trust fund may be used for the College Access Program, the Kentucky Tuition Grant Program, or other student financial aid programs as authorized by the General Assembly.

(c) The council shall establish separate subsidiary programs and related accounts that are consistent with this section, the adopted strategic agenda, the biennial budget process, and the availability of any resources to the student financial aid and advancement trust fund.

(2) The Council on Postsecondary Education, in consultation with the Kentucky Higher Education Assistance Authority, shall determine the nature and purposes of budget requests for funding support to the student financial aid and advancement trust fund. The determination shall be based upon the financial

1 assistance needs and requirements of students of postsecondary accredited private
 2 and public institutions.

3 (3) The council shall develop the criteria and process for submission of an
 4 application under this section. Financial assistance that may be awarded by the
 5 council shall be consistent with the adopted strategic agenda, the biennial budget
 6 process, and the availability of any resources to the student financial aid and
 7 advancement trust fund.

8 SECTION 16. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 9 READ AS FOLLOWS:

10 (1) The Commonwealth Virtual University shall be the academic programs made
 11 available to the citizens of the Commonwealth through the use of modern
 12 methods of communications and information dissemination as determined by the
 13 Council on Postsecondary Education after consideration of the recommendations
 14 of the Distance Learning Advisory Committee.

15 (2) The council shall establish a Distance Learning Advisory Committee to advise
 16 the council on matters relating to the Commonwealth Virtual University. The
 17 members of the advisory committee shall include the presidents of each of the
 18 nine (9) state postsecondary education institutions, the executive director of the
 19 Kentucky Educational Television Network, a representative of the Association of
 20 Independent Kentucky Colleges and Universities, and other representatives as the
 21 council deems appropriate. The committee shall elect its chair and other officers
 22 as it deems necessary.

23 (3) The council, after receiving the recommendations of the Distance Learning
 24 Advisory Committee, shall establish policies to control and promote the use of
 25 distance learning systems to increase the availability of all postsecondary
 26 education programs throughout the state in the most efficient manner. The

1 regional universities shall be the primary developers and deliverers of
 2 baccalaureate and masters degree programs to be delivered by distance learning.

3 (4) The council shall determine the allocation of tuition, course offerings, source of
 4 courses, technology to be used, and other matters relating to the use of distance
 5 learning to promote education through the Commonwealth Virtual University.

6 SECTION 17. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 7 READ AS FOLLOWS:

8 (1) The president of the Kentucky Community and Technical College System shall
 9 appoint a chancellor to head the Community Colleges' Branch and a chancellor
 10 to head the Technical Institutions' Branch, except that the present chancellor of
 11 the University of Kentucky Community College System, formerly governed by the
 12 University of Kentucky board of trustees, shall serve as the chancellor of the
 13 Community Colleges' Branch.

14 (2) The chancellors shall be appointed from candidates selected in a search by a
 15 search committee. When a new chancellor is needed to head the Community
 16 Colleges' Branch, the president of the system shall appoint a chancellor from a
 17 list of three (3) candidates nominated by a search committee composed of equal
 18 representatives appointed by the University of Kentucky board of trustees and the
 19 Kentucky Community and Technical College System board of regents.

20 (3) The chancellors shall possess the necessary skills to guide and direct the
 21 institutional missions of the respective branches.

22 (4) Each chancellor shall be responsible for:

23 (a) Administering the programs and services for the respective branches;

24 (b) Acting as the appointing authority for personnel or delegating this authority
 25 to appropriate staff of the respective branch;

- 1 (c) Coordinating the development of strategic actions to meet the overall
 2 strategic plan for postsecondary education as developed by the Council on
 3 Postsecondary Education;
- 4 (d) Supervising the development of policies within the overall framework of the
 5 system;
- 6 (e) Advocating the needs of the students, institutions, and staff under their
 7 respective jurisdictions;
- 8 (f) Developing responsive programming that meets the needs of the region and
 9 state and does not unnecessarily duplicate, but coordinates, resources of the
 10 community colleges and the technical institutions;
- 11 (g) Coordinating with other agency heads, both public and private, the
 12 development of training and education to meet the needs of Kentucky
 13 citizens and business and industry;
- 14 (h) Preparing accountability reports and other reports as needed;
- 15 (i) Preparing internal budget plans; and
- 16 (j) Other duties as identified by the president.
- 17 (5) Each chancellor shall serve at the pleasure of the president.

18 SECTION 18. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 19 READ AS FOLLOWS:

- 20 (1) Effective July 1, 1998, the Kentucky Community and Technical College System
 21 shall be the legal successor to the postsecondary Kentucky Tech institutions and
 22 corresponding administrative units in the Cabinet for Workforce Development
 23 and shall assume all assets and liabilities of this system, including without
 24 limitation all obligations, responsibilities, programs, staff, instructional supplies,
 25 equipment, real property, facilities, funds and records. The Finance and
 26 Administration Cabinet shall execute the instruments necessary to transfer the
 27 real property relating to the operation of the postsecondary institutions in the

1 Kentucky Tech System from the Cabinet for Workforce Development to the
 2 Kentucky Community and Technical College System.

3 (a) The staff positions in the Department for Technical Education and the
 4 Cabinet for Workforce Development whose responsibilities include support
 5 for the postsecondary institutions in the Kentucky Tech System and the
 6 school-based positions shall be transferred to the Kentucky Community and
 7 Technical College System. Selected employees of the Kentucky Tech
 8 regional offices shall be transferred and reassigned within the Kentucky
 9 Community and Technical College System. Appropriate central office
 10 functions from the Department for Technical Education shall be assigned
 11 within the system to carry out the administrative and support functions with
 12 the approval of the board of regents for the Kentucky Community and
 13 Technical College System.

14 (b) All funds related to the costs of operating the Kentucky Tech postsecondary
 15 institutions, including the administrative costs, shall be transferred to the
 16 board of regents for the Kentucky Community and Technical College
 17 System for carrying out the mission of the postsecondary technical
 18 institutions and colleges.

19 (c) Funds raised by a not-for-profit organization for a specific program or
 20 technical institution shall be for the exclusive use of the program or that
 21 technical institution.

22 (d) The following provisions shall apply to the employees who are transferred
 23 from the Cabinet for Workforce Development to the Kentucky Community
 24 and Technical College System, effective July 1, 1998:

25 1. Accumulated sick leave, compensatory time, and annual leave as of
 26 June 30, 1998, shall be transferred with each employee;

- 1 2. Employees who have earned continuing status as defined in KRS
2 151B.010 and employees who have earned classified status as merit
3 system employees under KRS Chapter 18A shall be provided the same
4 standing. Those employees who are transferred and are in the process
5 of earning continuing status or classified status shall earn their
6 standing based on the rules that were governing them on June 30,
7 1998, in their respective systems. New employees within the system
8 shall earn status based on the new policies established by the board;
- 9 3. Employees shall transfer into the new system at a salary not less than
10 their previous salary as of June 30, 1998;
- 11 4. Employees shall be provided retirement plans in the same system
12 where they are currently enrolled: the Kentucky Teachers' Retirement
13 System under Section 66 of this Act or the Kentucky Employees
14 Retirement System under Section 35 of this Act;
- 15 5. Employees shall be provided a health benefits package that is
16 available or equivalent to that provided to other state or university
17 employees; and
- 18 6. Employees shall be provided life insurance coverage and optional
19 insurance or investment programs; and
- 20 (e) The board shall adopt rules that are the same as the administrative
21 regulations under KRS Chapter 151B in effect on June 30, 1998, to govern
22 the certified and equivalent employees who transfer from the Cabinet for
23 Workforce Development, except that the rules shall provide that all
24 grievances and appeals shall be to the board of regents or to the board's
25 designee. The board shall adopt rules that are the same as the
26 administrative regulations under KRS Chapter 18A in effect on June 30,
27 1998, to govern the transferred classified employees, except that the rules

1 shall provide that all grievances and appeals shall be to the board of regents
 2 or to the board's designee. A transferred employee shall have the option to
 3 elect to participate in the new Kentucky Community and Technical College
 4 personnel system in lieu of the rules under which the employee transferred.
 5 An employee who elects to accept this option may not return to the previous
 6 personnel policy. An employee shall have the right to exercise this option at
 7 any time.

8 (2) New employees hired after July 1, 1997, in the Kentucky Community and
 9 Technical College System shall be governed by the rules and regulations
 10 established by the board.

11 (3) Tuition shall be waived for each full-time faculty member to take a maximum of
 12 six (6) credit hours annually at any state-supported postsecondary institution.

13 SECTION 19. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 14 READ AS FOLLOWS:

15 (1) Effective July 1, 1998, the Kentucky Community and Technical College System
 16 shall be the legal successor to the former University of Kentucky Community
 17 College System, except for the Lexington Community College, and shall assume
 18 all assets and liabilities of this system, except for the Lexington Community
 19 College, including without limitation, all obligations, responsibilities, programs,
 20 staff, instructional supplies, equipment, real property including improvements,
 21 facilities, funds, and records relating to the operation of the community colleges,
 22 except those responsibilities, programs, staff, equipment, real property including
 23 improvements, facilities, funds, and records, pertaining to the Lexington
 24 Community College. The president and board of regents of the Kentucky
 25 Community and Technical College System shall have jurisdiction over the use
 26 and distribution of the resources to operate the system effectively and efficiently.
 27 The Finance and Administration Cabinet shall execute the instruments necessary

1 to transfer the real property relating to the operation of the community colleges,
 2 except the real property pertaining to the Lexington Community College, from
 3 the University of Kentucky to the Kentucky Community and Technical College
 4 System.

5 (2) All funds that are allocated in the University of Kentucky budget for
 6 administering the system, including the personnel, operating, and capital funds
 7 shall be transferred to the board, except those allocated to Lexington Community
 8 College. The transfer of funds shall include funds held in escrow, invested funds
 9 solely for the purpose of the community colleges, and bequests specifically
 10 earmarked for the community colleges. The board may divide the assets among
 11 the specific organizations and institutions within the system to meet the mission
 12 of the system. Funds raised by a not-for-profit organization for the use and
 13 benefit of a specific program or community college shall be used exclusively for
 14 the program or community college.

15 (3) The board shall adopt the rules that were policy as of June 30, 1998, in the
 16 University of Kentucky administrative regulations to govern personnel
 17 transferred as of July 1, 1998, except that the rules shall provide that appeals
 18 shall be to the board of regents or to the board's designee. The following
 19 provisions shall apply to the transferred employees:

20 (a) Accumulated sick leave, compensatory time, and annual leave as of June
 21 30, 1998, shall be transferred with each employee;

22 (b) Employees with tenure shall transfer their tenure. Transferred employees
 23 without tenure shall earn tenure based on personnel policies in effect at the
 24 time of their employment. New employees without tenure shall earn tenure
 25 based on the new policies established by the board;

26 (c) Employees shall transfer into the new system at a salary not less than their
 27 previous salary as of June 30, 1998; and

1 (d) All employees shall be provided the benefit package that is available on
 2 June 30, 1998, for the University of Kentucky employees, including
 3 participation in an optional retirement plan.

4 (4) A transferred employee may elect to participate in the new Kentucky Community
 5 and Technical College personnel system in lieu of the existing rules under which
 6 the employee transferred. An employee who elects to accept this option may not
 7 return to the previous personnel policy. The employee shall have the right to
 8 exercise this option at any time.

9 (5) New employees hired after July 1, 1997, in the Kentucky Community and
 10 Technical College System shall be governed by the rules established by the board.

11 (6) Tuition shall be waived for each full-time faculty member to take a maximum of
 12 six (6) credit hours annually at any state-supported postsecondary institution.

13 (7) Students enrolled in the University of Kentucky Community College Branch in
 14 the Kentucky Community and Technical College System, governed by the board
 15 of regents, shall be guaranteed the same rights and privileges they had in the
 16 University of Kentucky Community College System, previously governed by the
 17 University of Kentucky board of trustees. These privileges shall include, but not
 18 be limited to, tickets to athletic events, homecoming queen contests, the Great
 19 Teacher Award contest, and University of Kentucky scholarship programs.

20 SECTION 20. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 21 READ AS FOLLOWS:

22 (1) The board of regents may provide medical and accident insurance for students
 23 enrolled in the Kentucky Community and Technical College System institutions.
 24 The president, on behalf of the system, may enter into a contract or contracts
 25 with one (1) or more sureties or insurance companies or their agents to provide
 26 appropriate medical and accident insurance coverage and to provide group
 27 coverage to all students enrolled in institutions within the system. The

appropriate group coverage shall be issued by one (1) or more sureties or insurance companies authorized to transact business in this state, and the coverage shall be approved by the commissioner of insurance.

(2) The board shall approve policies upon recommendation of the president to implement the medical and accident insurance program. The board may fix the rate of fees for all postsecondary and adult students, as it deems necessary to meet the expense in whole or in part for appropriate student medical and accident insurance.

(3) The limits of liability and other appropriate provisions for student medical and accident insurance authorized by this section shall be set by the board.

SECTION 21. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The president, on behalf of the board of regents for the Kentucky Community and Technical College System, shall provide a full report and recommendations to the Council on Postsecondary Education and to the Strategic Committee on Postsecondary Education by January 1 of each odd-numbered year. The report shall address the condition and operation of the system since the date of the previous report, and the capacity of the system to improve the knowledge and skills of Kentucky's adult population. It shall include outcome data as required by the Council on Postsecondary Education.

SECTION 22. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The Council on Postsecondary Education shall establish regional advisory groups and shall provide necessary staff support to assist in the development of regional strategies for workforce development that support the state strategic agenda and that include a comprehensive coordinated approach to education and training services. The regional advisory groups shall be encouraged to:

- 1 (1) Involve universities; colleges; technical institutions; elementary and secondary
 2 educational agencies; labor, business, and industry representatives from regional
 3 and state labor market areas; community-based organizations; citizens' groups;
 4 and other policymakers in the development of the regional strategies; and
 5 (2) Assist with an annual review of progress toward the regional strategies.

6 SECTION 23. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 7 READ AS FOLLOWS:

8 The Kentucky Community and Technical College System may, at its option, continue
 9 to contract for necessary services from the University of Kentucky that it provided to
 10 the community colleges prior to the establishment of the Kentucky Community and
 11 Technical College System, or it may provide for some or all of the services through its
 12 own employees and facilities, or it may contract for those services with other providers.
 13 These services shall be provided at a reasonable cost and shall include, but not be
 14 limited to, library services and processing scholarships and student loans. The
 15 University of Kentucky shall be reimbursed the reasonable costs of services. The
 16 Kentucky Community and Technical College System shall not be assessed by the
 17 University of Kentucky for rental charges or other similar fees for the use of real or
 18 personal property. The Council on Postsecondary Education shall resolve any disputes
 19 about services to be provided and costs to be charged for the services.

20 SECTION 24. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 21 READ AS FOLLOWS:

22 The universities and the Kentucky Community and Technical College System shall
 23 recognize and accept for transfer credit all courses that were accepted for transfer prior
 24 to the establishment of the Kentucky Community and Technical College System,
 25 unless a substantial change in the content for teaching the course can be demonstrated
 26 to have occurred. Disputes on these matters shall be settled by the Council on
 27 Postsecondary Education.

1 SECTION 25. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO
2 READ AS FOLLOWS:

3 (1) On or before August 15 of 1999 and of each subsequent odd-numbered year, the
4 Finance and Administration Cabinet, in conjunction with the Consensus
5 Forecasting Group created by KRS 48.115, shall provide to each branch of
6 government a budget planning report to include:

7 (a) A baseline analysis and projections of economic conditions and outlook;

8 (b) Any potential consequences of the analysis and projections for the
9 Commonwealth's fiscal condition; and

10 (c) The revenue implications for the general fund and road fund for the
11 current fiscal year and next four (4) fiscal years.

12 (2) The budget planning report shall include, but not be limited to, projections of
13 personal income, employment, and preliminary planning estimates of general
14 fund and road fund revenues to be used in the development of budgetary policy
15 and guidelines for budget unit requests under KRS 48.040 and 48.050 for the
16 next fiscal biennium.

17 Section 26. KRS 12.020 is amended to read as follows:

18 Departments, program cabinets and their departments, and the respective major
19 administrative bodies that they include are enumerated in this section. It is not intended
20 that this enumeration of administrative bodies be all-inclusive. Every authority, board,
21 bureau, interstate compact, commission, committee, conference, council, office, or any
22 other form of organization shall be included in or attached to the department or program
23 cabinet in which they are included or to which they are attached by statute or statutorily-
24 authorized executive order; except in the case of the Personnel Board and where the
25 attached department or administrative body is headed by a constitutionally elected officer,
26 the attachment shall be solely for the purpose of dissemination of information and

coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of the department or administrative body.

I. Cabinet for General Government - Departments headed by elected officers:

1. The Governor.
2. Lieutenant Governor.
3. Department of State.
 - (a) Secretary of State.
 - (b) Board of Elections.
 - (c) Registry of Election Finance.
4. Department of Law.
 - (a) Attorney General.
5. Department of the Treasury.
 - (a) Treasurer.
6. Department of Agriculture.
 - (a) Commissioner of Agriculture.
 - (b) Kentucky Council on Agriculture.
7. Superintendent of Public Instruction.
8. Auditor of Public Accounts.
9. Railroad Commission.

II. Program cabinets headed by appointed officers:

1. Justice Cabinet:
 - (a) Department of State Police.
 - (b) Department of Criminal Justice Training.
 - (c) Department of Corrections.
 - (d) Department of Juvenile Justice.
 - (e) Office of the Secretary.
 - (f) Offices of the Deputy Secretaries.

- 1 (g) Office of General Counsel.
- 2 (h) Medical Examiner Program.
- 3 (i) Parole Board.
- 4 (j) Kentucky State Corrections Commission.
- 5 (k) Commission on Correction and Community Service.
- 6 2. Education, Arts, and Humanities Cabinet:
- 7 (a) Department of Education.
- 8 (1) Kentucky Board of Education.
- 9 (2) Education Professional Standards Board.
- 10 (b) Department for Libraries and Archives.
- 11 (c) Kentucky Arts Council.
- 12 (d) Kentucky Educational Television.
- 13 (e) Kentucky Historical Society.
- 14 (f) Kentucky Teachers' Retirement System Board of Trustees.
- 15 (g) Kentucky Center for the Arts.
- 16 (h) Kentucky Craft Marketing Program.
- 17 (i) Kentucky Commission on the Deaf and Hard of Hearing.
- 18 (j) Governor's Scholars Program.
- 19 (k) Governor's School for the Arts.
- 20 (l) Office of Development.
- 21 (m) Kentucky Heritage Council.
- 22 (n) Kentucky African-American Heritage Commission.
- 23 3. Natural Resources and Environmental Protection Cabinet:
- 24 (a) Environmental Quality Commission.
- 25 (b) Kentucky Nature Preserves Commission.
- 26 (c) Department for Environmental Protection.
- 27 (d) Department for Natural Resources.

- 1 (e) Department for Surface Mining Reclamation and Enforcement.
- 2 (f) Office of Legal Services.
- 3 (g) Office of Communications and Community Affairs.
- 4 4. Transportation Cabinet:
 - 5 (a) Department of Highways.
 - 6 (b) Department of Vehicle Regulation.
 - 7 (c) Department of Administrative Services.
 - 8 (d) Department of Fiscal Management.
 - 9 (e) Department of Rural and Municipal Aid.
 - 10 (f) Office of Aeronautics.
 - 11 (g) Office of General Counsel.
 - 12 (h) Office of Public Relations.
 - 13 (i) Office of Personnel Management.
 - 14 (j) Office of Minority Affairs.
 - 15 (k) Office of Environmental Affairs.
- 16 5. Cabinet for Economic Development:
 - 17 (a) Department of Administration and Support.
 - 18 (b) Department of Job Development.
 - 19 (c) Department of Financial Incentives.
 - 20 (d) Department of Community Development.
 - 21 (e) Tobacco Research Board.
 - 22 (f) Kentucky Economic Development Finance Authority.
- 23 6. Public Protection and Regulation Cabinet:
 - 24 (a) Public Service Commission.
 - 25 (b) Department of Insurance.
 - 26 (c) Department of Housing, Buildings and Construction.
 - 27 (d) Department of Financial Institutions.

- 1 (e) Department of Mines and Minerals.
- 2 (f) Department of Public Advocacy.
- 3 (g) Department of Alcoholic Beverage Control.
- 4 (h) Kentucky Racing Commission.
- 5 (i) Board of Claims.
- 6 (j) Crime Victims Compensation Board.
- 7 (k) Kentucky Board of Tax Appeals.
- 8 (l) Backside Improvement Commission
- 9 7. Cabinet for Human Resources:
- 10 (a) Department for Health Services.
- 11 (b) Department for Social Insurance.
- 12 (c) Department for Social Services.
- 13 (d) Department for Medicaid Services.
- 14 (e) Department for Mental Health and Mental Retardation Services.
- 15 (f) Commission for Children with Special Health Care Needs.
- 16 (g) Public Assistance Appeals Board.
- 17 (h) Office of Administrative Services.
- 18 (i) Office of Communications.
- 19 (j) Office of General Counsel.
- 20 (k) Office of Inspector General.
- 21 (l) Office of Policy and Budget.
- 22 (m) Office of the Ombudsman.
- 23 8. Finance and Administration Cabinet:
- 24 (a) Office of Legal and Legislative Services.
- 25 (b) Office of Management and Budget.
- 26 (c) Office of Financial Management and Economic Analysis.
- 27 (d) Office of the Controller.

- 1 (e) Department for Administration.
- 2 (f) Department of Facilities Management.
- 3 (g) Department of Information Systems.
- 4 (h) State Property and Buildings Commission.
- 5 (i) Kentucky Pollution Abatement Authority.
- 6 (j) Kentucky Savings Bond Authority.
- 7 (k) Deferred Compensation Systems.
- 8 (l) Office of Equal Employment Opportunity Contract Compliance.
- 9 (m) Capital Plaza Authority.
- 10 (n) County Officials Compensation Board.
- 11 (o) Kentucky Employees Retirement Systems.
- 12 (p) Commonwealth Credit Union.
- 13 (q) State Investment Commission.
- 14 (r) Kentucky Housing Corporation.
- 15 (s) Governmental Services Center.
- 16 (t) Kentucky Local Correctional Facilities Construction Authority.
- 17 (u) Kentucky Turnpike Authority.
- 18 (v) Historic Properties Advisory Commission.
- 19 9. Labor Cabinet:
 - 20 (a) Department of Workplace Standards.
 - 21 (b) Department of Workers' Claims.
 - 22 (c) Kentucky Labor-Management Advisory Council.
 - 23 (d) Occupational Safety and Health Standards Board.
 - 24 (e) Prevailing Wage Review Board.
 - 25 (f) Workers' Compensation Board.
 - 26 (g) Kentucky Employees Insurance Association.
 - 27 (h) Apprenticeship and Training Council.

- 1 (i) State Labor Relations Board.
- 2 (j) Kentucky Occupational Safety and Health Review Commission.
- 3 (k) Office of Administrative Services.
- 4 (l) Office of Labor Management Relations.
- 5 (m) Office of General Counsel.
- 6 (n) Workers' Compensation Funding Commission.
- 7 (o) Employers Mutual Insurance Authority.
- 8 10. Revenue Cabinet:
 - 9 (a) Department of Property Taxation.
 - 10 (b) Department of Compliance and Taxpayer Assistance.
 - 11 (c) Department of Administrative Services.
 - 12 (d) Office of General Counsel.
- 13 11. Tourism Cabinet:
 - 14 (a) Department of Travel Development.
 - 15 (b) Department of Parks.
 - 16 (c) Department of Fish and Wildlife Resources.
 - 17 (d) Kentucky Horse Park Commission.
 - 18 (e) State Fair Board.
 - 19 (f) Office of Administrative Services.
 - 20 (g) Office of Film Promotion.
 - 21 (h) Office of General Counsel.
- 22 12. Cabinet for Workforce Development:
 - 23 (a) Department for Adult Education and Literacy.
 - 24 (b) Department for Technical Education.
 - 25 (c) Department of Vocational Rehabilitation.
 - 26 (d) Department for the Blind.
 - 27 (e) Department for Employment Services.

- 1 (f) State Board for Adult and Technical Education.
- 2 (g) Governor's Council on Vocational Education.
- 3 (h) The State Board for Proprietary Education.
- 4 (i) The Foundation for Adult Education.
- 5 (j) The Kentucky Job Training Coordinating Council.
- 6 (k) Office of General Counsel.
- 7 (l) Office of Communication Services.
- 8 (m) Office of Development and Industry Relations.
- 9 (n) Office of Workforce Analysis and Research.
- 10 (o) Office for Administrative Services.
- 11 (p) Office for Policy, Budget, and Personnel.
- 12 (q) Unemployment Insurance Commission.

13 III. Other departments headed by appointed officers:

- 14 1. Department of Military Affairs.
- 15 2. Department of Personnel.
- 16 3. Council on Postsecondary~~[Higher]~~ Education.
- 17 (a) Kentucky Community Service Commission.
- 18 4. Department of Local Government.
- 19 5. Kentucky Commission on Human Rights.
- 20 6. Kentucky Commission on Women.
- 21 7. Department of Veterans' Affairs.
- 22 8. Kentucky Commission on Military Affairs.

23 Section 27. KRS 12.023 is amended to read as follows:

24 The following organizational units and administrative bodies shall be attached to the Office
25 of the Governor:

- 26 (1) Council on Postsecondary~~[Higher]~~ Education~~[(The state universities and colleges~~
27 ~~shall report through the Council on Higher Education)]~~

- 1 (2) Department of Military Affairs;
- 2 (3) Department of Local Government;
- 3 (4) Kentucky Commission on Human Rights;
- 4 (5) Kentucky Commission on Women;
- 5 (6) Kentucky Commission on Military Affairs; and
- 6 (7) Coal Marketing and Export Council.

7 Section 28. KRS 13A.010 is amended to read as follows:

8 As used in this chapter, unless the context otherwise requires:

- 9 (1) "Administrative body" means each state board, bureau, cabinet, commission,
10 department, authority, officer, or other entity, except the General Assembly and the
11 Court of Justice, authorized by law to promulgate administrative regulations;
- 12 (2) "Administrative regulation" means each statement of general applicability
13 promulgated by an administrative body that implements, interprets, or prescribes law
14 or policy, or describes the organization, procedure, or practice requirements of any
15 administrative body. The term includes an existing administrative regulation, a new
16 administrative regulation, an emergency administrative regulation, an administrative
17 regulation in contemplation of a statute, the amendment or repeal of an existing
18 administrative regulation, but does not include:
 - 19 (a) Statements concerning only the internal management of an administrative body
20 and not affecting private rights or procedures available to the public; or
 - 21 (b) Declaratory rulings; or
 - 22 (c) Intradepartmental memoranda not in conflict with KRS 13A.130; or
 - 23 (d) Statements relating to acquisition of property for highway purposes and
24 statements relating to the construction or maintenance of highways; or
 - 25 (e) Rules, regulations, and policies of the governing boards of institutions *that*
26 *make up the postsecondary education system defined in Section 3 of this*
27 *Act*~~[of higher education]~~ pertaining to students attending or applicants to

1 ~~the[such]~~ institutions, to faculty and staff of the respective institutions, or to
 2 the control and maintenance of land and buildings occupied by the respective
 3 institutions;

4 (3) "Adopted" means that an administrative regulation has become effective in
 5 accordance with the provisions of this chapter;

6 (4) "Authorizing signature" means the signature of the head of the administrative body
 7 authorized by statute to promulgate administrative regulations;

8 (5) "Commission" means the Legislative Research Commission;

9 (6) "Economic impact" means a financial impact on:

10 (a) Commercial enterprises;

11 (b) Retail businesses;

12 (c) Service businesses;

13 (d) Industry;

14 (e) Consumers of a product or service; or

15 (f) Taxpayers;

16 (7) "Effective" means that an administrative regulation has completed the legislative
 17 subcommittee review established by KRS 13A.290 and 13A.330;

18 (8) "Federal mandate" means any federal constitutional, legislative or executive law or
 19 order which requires or permits any administrative body to engage in regulatory
 20 activities which impose compliance standards, reporting requirements,
 21 recordkeeping, or similar responsibilities upon entities in the Commonwealth;

22 (9) "Federal mandate comparison" means a written statement containing the information
 23 required by KRS 13A.245;

24 (10) "Filed" means that an administrative regulation, or other document required to be
 25 filed by this chapter, has been submitted to the Commission in accordance with this
 26 chapter;

- 1 (11) "Promulgate" means that an administrative body has approved an administrative
2 regulation for filing with the Commission in accordance with the provisions of KRS
3 Chapter 13A;
- 4 (12) "Proposed administrative regulation," except as provided by KRS 13A.015(5),
5 means an administrative regulation that an administrative body proposes to
6 promulgate;
- 7 (13) "Regulatory impact analysis" means a written statement containing the provisions
8 required by KRS 13A.240;
- 9 (14) "Statement of consideration" means that an administrative body must either accept
10 suggestions or recommendations regarding an administrative regulation or issue a
11 concise statement setting forth the reasons for not accepting suggestions or
12 recommendations regarding an administrative regulation;
- 13 (15) "Subcommittee" includes the Administrative Regulation Review Subcommittee, any
14 other subcommittee of the Legislative Research Commission, a standing committee
15 of the General Assembly, or a House and Senate standing committee meeting jointly;
16 and
- 17 (16) "Tiering" means the tailoring of regulatory requirements to fit the particular
18 circumstances surrounding regulated entities.
- 19 Section 29. KRS 18A.115 is amended to read as follows:
- 20 (1) The classified service to which KRS 18A.005 to 18A.200 shall apply shall comprise
21 all positions in the state service now existing or hereafter established, except the
22 following:
- 23 (a) The General Assembly and employees of the General Assembly, including the
24 employees of the Legislative Research Commission;
- 25 (b) Officers elected by popular vote and persons appointed to fill vacancies in
26 elective offices;
- 27 (c) Members of boards and commissions;

- 1 (d) Officers and employees on the staff of the Governor, the Lieutenant Governor,
2 the Office of the secretary of the Governor's Cabinet, and the Office of
3 Program Administration;
- 4 (e) Cabinet secretaries, commissioners, office heads, and the administrative heads
5 of all boards and commissions, including the executive director of Kentucky
6 Educational Television;
- 7 (f) Employees of Kentucky Educational Television who have been determined to
8 be exempt from classified service by the Kentucky Authority for Educational
9 Television, which shall have sole authority over such exempt employees for
10 employment, dismissal, and setting of compensation, up to the maximum
11 established for the executive director and his principal assistants;
- 12 (g) One (1) principal assistant or deputy for each person exempted under
13 subsection (1)(e) of this section;
- 14 (h) One (1) additional principal assistant or deputy as may be necessary for making
15 and carrying out policy for each person exempted under subsection (1)(e) of
16 this section in those instances in which the nature of the functions, size, or
17 complexity of the unit involved are such that the commissioner approves such
18 an addition on petition of the relevant cabinet secretary or department head
19 and such other principal assistants, deputies, or other major assistants as may
20 be necessary for making and carrying out policy for each person exempted
21 under subsection (1)(e) of this section in those instances in which the nature of
22 the functions, size, or complexity of the unit involved are such that the board
23 may approve such an addition or additions on petition of the department head
24 approved by the commissioner;
- 25 (i) Division directors subject to the provisions of KRS 18A.170. Division
26 directors in the classified service as of January 1, 1980, shall remain in the
27 classified service;

- 1 (j) Physicians employed as such;
- 2 (k) One (1) private secretary for each person exempted under subsection (1)(e),
3 (g), and (h) of this section;
- 4 (l) The judicial department, referees, receivers, jurors, and notaries public;
- 5 (m) Officers and members of the staffs of state universities and colleges and
6 student employees of such institutions; officers and employees of the Teachers'
7 Retirement System; and officers, teachers, and employees of local boards of
8 education;
- 9 (n) Patients or inmates employed in state institutions;
- 10 (o) Persons employed in a professional or scientific capacity to make or conduct a
11 temporary or special inquiry, investigation, or examination on behalf of the
12 General Assembly, or a committee thereof, or by authority of the Governor,
13 and persons employed by state agencies for a specified, limited period to
14 provide professional, technical, scientific, or artistic services under the
15 provisions of KRS 45A.690 to 45A.725;
- 16 (p) Seasonal, temporary, and emergency employees;
- 17 (q) Federally funded time-limited employees;
- 18 (r) Officers and members of the state militia;
- 19 (s) State Police troopers and sworn officers in the Department of State Police,
20 Justice Cabinet;
- 21 (t) University or college engineering students or other students employed part-
22 time or part-year by the state through special personnel recruitment programs;
23 provided that while so employed such aides shall be under contract to work
24 full-time for the state after graduation for a period of time approved by the
25 commissioner or shall be participants in a cooperative education program
26 approved by the commissioner;

- 1 (u) Superintendents of state mental institutions, including heads of mental
2 retardation centers, and penal and correctional institutions as referred to in
3 KRS 196.180(2);
- 4 (v) Staff members of the Kentucky Historical Society, if they are hired in
5 accordance with KRS 171.311;
- 6 (w) County and Commonwealth's attorneys and their respective appointees;
- 7 (x) Chief district engineers and the state highway engineer;
- 8 (y) Veterinarians employed as such by the Kentucky State Racing Commission or
9 the Kentucky Harness Racing Commission~~and~~
- 10 (z) Employees of the Kentucky Peace Corps and
- 11 (aa) Employees of the Council on Postsecondary Education
- 12 (2) Nothing in KRS 18A.005 to 18A.200 is intended, or shall be construed, to alter or
13 amend the provisions of KRS 150.022 and 150.061.
- 14 (3) Nothing in KRS 18A.005 to 18A.200~~herein~~ is intended or shall be construed to
15 affect any nonmanagement, nonpolicy-making position which must be included in the
16 classified service as a prerequisite to the grant of federal funds to a state agency.
- 17 (4) Career employees within the classified service promoted to positions exempted from
18 classified service shall, upon termination of their employment in the exempted
19 service, revert to a position in that class in the agency from which they were
20 terminated if a vacancy in that class exists. If no such vacancy exists, they shall be
21 considered for employment in any vacant position for which they were qualified
22 pursuant to KRS 18A.130 and 18A.135.
- 23 (5) Nothing in KRS 18A.005 to 18A.200~~herein~~ shall be construed as precluding
24 appointing officers from filling unclassified positions in the manner in which positions in
25 the classified service are filled except as otherwise provided in KRS 18A.005 to
26 18A.200~~herein~~

1 (6) The positions of employees who are transferred, effective July 1, 1998, from the
 2 Cabinet for Workforce Development to the Kentucky Community and Technical
 3 College System shall be abolished and the employees' names removed from the
 4 roster of state employees. Employees that are transferred, effective July 1, 1998,
 5 to the Kentucky Community and Technical College System under KRS Chapter
 6 164 shall have the same benefits and rights as they had under KRS Chapter 18A
 7 and have under Section 18 of this Act; however, they shall have no guaranteed
 8 reemployment rights in the KRS Chapter 151B or KRS Chapter 18A personnel
 9 systems. An employee who seeks reemployment in a state position under KRS
 10 Chapter 151B or KRS Chapter 18A shall have years of service in the Kentucky
 11 Community and Technical College System counted towards years of experience
 12 for calculating benefits and compensation.

13 Section 30. KRS 42.540 is amended to read as follows:

14 Notwithstanding KRS 41.290, every nonprofit fiduciary holding funds for the benefit of
 15 any form of state organization, including, but not limited to, Eastern Kentucky University,
 16 Kentucky State University, Morehead State University, Murray State University, Northern
 17 Kentucky University, University of Kentucky, University of Louisville, Western Kentucky
 18 University, Kentucky Community and Technical College System, and the State Fair
 19 Board shall make a report according to generally accepted accounting principles of all
 20 money received and disbursed during each fiscal year, on or before the fifteenth of July,
 21 showing receipts, expenditures, depositories, rates of interest paid by depositories,
 22 investments, and rates of return in investments to the State Investment Commission. Such
 23 fiduciaries include, but are not limited to Eastern Kentucky University Foundation;
 24 Kentucky State University Foundation, Inc.; Morehead State University Foundation, Inc.;
 25 Morehead Alumni Foundation, Inc.; Eagle Athletic Foundation, Inc.; Murray State
 26 University Foundation; Northern Kentucky University Foundation, Inc.; University of
 27 Kentucky Research Foundation; University of Kentucky Athletics Association; The Fund

for the Advancement of Education and Research in the University of Kentucky Medical Center; Health Care Collection Service, Inc.; McDowell Cancer Network, Inc.; University of Kentucky-Business Partnership Foundation, Inc.; Kentucky Medical Services Foundation, Inc.; University of Louisville Foundation, Inc.; University of Louisville Hospital, Inc.; University of Louisville Institute of Industrial Research, Inc.; University of Louisville Medical School Fund, Inc.; The College Heights Foundation; KFEC Research and Development Foundation, Inc.; Kentucky Export Resources Authority, Inc.; and all similar nonprofit fiduciaries for the benefit of any form of state organization and their successors.

Section 31. KRS 42.545 is amended to read as follows:

Each agency authorized to issue bonds listed in this section shall make a report according to generally accepted accounting principles of all money received and disbursed during each fiscal year, on or before the 15th of July, showing the receipts, expenditures, trustees, depositories, rates of interest paid by depositories, investments, and rates of return on investments by each agency to the State Investment Commission. The agencies required to report under this section are Eastern Kentucky University; Kentucky State University; Morehead State University; Murray State University; Northern Kentucky University; University of Kentucky; University of Louisville; Western Kentucky University; **Kentucky Community and Technical College System**; Kentucky Housing Corporation; Kentucky Pollution Abatement Authority; Kentucky Higher Education Student Loan Corporation; Kentucky School Building Authority; The Turnpike Authority of Kentucky; the State Property and Buildings Commission; Churchill Downs Authority; Kentucky Health and Geriatric Authority; Capital Plaza Authority; State Fair Board; Department of Fish and Wildlife Resources; Water Resources Authority of Kentucky; and any other agency or instrumentality authorized to issue bonds.

Section 32. KRS 45A.840 is amended to read as follows:

As used in KRS 45A.840 to 45A.879, unless the context requires otherwise:

- 1 (1) "Bond counsel" means an attorney who provides legal counsel to a bond issuing
2 agency with regard to bond issuance and provides an unqualified legal opinion to the
3 agency with respect to validity and tax treatment;
- 4 (2) "Bond issuance" means the formulation, authorization, and issuance of bonds by a
5 bond issuing agency;
- 6 (3) "Bond issuing agency" means the State Property and Buildings Commission,
7 Turnpike Authority of Kentucky, Kentucky Housing Corporation, Kentucky
8 Infrastructure Authority, Kentucky Higher Education Student Loan Corporation,
9 Kentucky River Authority, Kentucky Agricultural Finance Corporation, Kentucky
10 Local Correctional Facilities Construction Authority, School Facilities Construction
11 Commission, Murray State University, Western Kentucky University, University of
12 Louisville when it declines to exercise the authority granted under KRS 164A.585(1)
13 and 164A.605, Northern Kentucky University, Kentucky State University,
14 University of Kentucky when it declines to exercise the authority granted under KRS
15 164A.585(1) and 164A.605, Morehead State University,~~and~~ Eastern Kentucky
16 University **and the Kentucky Community and Technical College System**
- 17 (4) "Bonds" means the revenue bonds, notes, or other debt obligations issued by a bond
18 issuing agency;
- 19 (5) "Executive director" means the executive director of the Office of Financial
20 Management and Economic Analysis;
- 21 (6) "Office" means the Office of Financial Management and Economic Analysis
22 established by KRS 42.400;
- 23 (7) "Underwriter" means:
24 (a) The financial institution which structures and underwrites the bond issuing
25 agency's issuance of bonds; or

1 (b) The financial advisor or fiscal agent which provides advice or services to the
 2 bond issuing agency with respect to the structure, timing, terms, or other
 3 matters concerning bond issuance;

4 (8) "Underwriter's counsel" means an attorney who provides legal counsel to an
 5 underwriter with respect to its work on behalf of a bond issuing agency.

6 Section 33. KRS 45A.850 is amended to read as follows:

7 (1) (a) Pursuant to KRS 45A.853 and 45A.857, one (1) underwriter and one (1) bond
 8 counsel shall be chosen for the State Property and Buildings Commission.

9 (b) The underwriter and the bond counsel chosen for the commission shall provide
 10 their services for all bonds issued in one (1) bond project.

11 (2) (a) Pursuant to KRS 45A.853 and 45A.857, one (1) underwriter and one (1) bond
 12 counsel shall be chosen for each of the following agencies:

- 13 1. Turnpike Authority of Kentucky;
- 14 2. Kentucky Housing Corporation;
- 15 3. Kentucky Infrastructure Authority;
- 16 4. Kentucky Higher Education Student Loan Corporation;
- 17 5. Kentucky River Authority;
- 18 6. Kentucky Agricultural Finance Corporation; and
- 19 7. Kentucky Local Correctional Facilities Construction Authority;

20 (b) The underwriter and the bond counsel chosen for each agency shall provide
 21 their services for all bond issuance over a period of twelve (12) months from
 22 their selection. At the conclusion of the twelve (12) month period, the
 23 executive director may continue the employment of the underwriter or the
 24 bond counsel, on the same terms and conditions, for another twelve (12)
 25 month period. If the employment is not continued, the choosing of an
 26 underwriter or bond counsel, as appropriate, shall be conducted pursuant to
 27 KRS 45A.853 and 45A.857.

(3) (a) Pursuant to KRS 45A.853 and 45A.857, one (1) underwriter and one (1) bond counsel shall be chosen to provide their services for all of the following agencies:

1. School Facilities Construction Commission;
2. Murray State University;
3. Western Kentucky University;
4. University of Louisville when it declines to exercise the authority granted under KRS 164A.585(1) and 164A.605;
5. Northern Kentucky University;
6. Kentucky State University;
7. University of Kentucky when it declines to exercise the authority granted under KRS 164A.585(1) and 164A.605;
8. Morehead State University~~;~~ and
9. Eastern Kentucky University~~;~~ and

10. Kentucky Community and Technical College System

(b) The underwriter and the bond counsel chosen for all of the agencies shall provide their services for all bond issuance of the agencies for a period of twelve (12) months from the underwriter's and the bond counsel's selection. At the conclusion of the twelve (12) month period, the executive director may continue the employment of the underwriter or the bond counsel, on the same terms and conditions, for another twelve (12) month period. If the employment is not continued, the choosing of an underwriter or bond counsel, as appropriate, shall be conducted pursuant to KRS 45A.853 and 45A.857.

(4) The office may select national comanaging underwriters and Kentucky comanaging underwriters who shall provide national and local marketing expertise for bond issuances. The executive director shall recommend to the secretary of the Finance and Administration Cabinet the number of national and Kentucky comanaging

underwriters, if any, to be utilized on each bond issuance. The executive director shall consider the following issues when making the recommendations:

- (a) Principal amount of bonds being issued; and
- (b) Structure of the bond issue; and
- (c) Composition of expected buyers of the bonds.

Kentucky comanaging underwriters shall be selected pursuant to a request for proposals. National comanaging underwriters shall be selected pursuant to an administrative regulation promulgated by the office. Comanaging underwriters selected pursuant to this subsection shall provide their services to a bond issuing agency as needed over the appropriate period of time stated in this section.

Section 34. KRS 56.495 is amended to read as follows:

The boards of regents of the respective state ~~colleges or~~ universities **and the Kentucky Community and Technical College System** and the board of trustees of the University of Kentucky may issue, under the provisions of KRS 162.340 to 162.380, consolidated educational building revenue bonds or housing bonds, provided that prior to seeking the final approval required by KRS 56.491, the board of the state ~~college or of the~~ university **or the Kentucky Community and Technical College System** shall submit to the commission, through the cabinet, a request for approval of the project before any financial commitment of any sort may be made in connection therewith, including employment of architects, engineers, fiscal agents, or attorneys. The request shall include a general description of the project and its need, use, location, approximate size, and such other information as the cabinet may require. After approval by the commission, the cabinet shall appoint fiscal agents, bond counsel, and architects and engineers as may be required to make plans and specifications or financial arrangements for the project.

Section 35. KRS 61.525 is amended to read as follows:

Membership in the system shall consist of the following:

- 1 (1) All persons who become employees of a participating department after the date such
2 department first participates in the system, except a person who did not elect
3 membership pursuant to KRS 61.545(3);
- 4 (2) All persons who are employees of a department on the date the department first
5 participates in the system, either in service or on authorized leave from service, and
6 who elect within thirty (30) days following the department's participation, or in the
7 case of persons on authorized leave, within thirty (30) days of their return to active
8 service, to become members and thereby agree to make contributions as provided in
9 KRS 61.515 to 61.705;
- 10 (3) All persons who are employees of any credit union whose membership was initially
11 limited to employees of state government and their families and which subsequently
12 may have been extended to local government employees and their families;
- 13 (4) All persons who were professional staff employees of the Council on
14 Postsecondary~~Higher~~ Education or the Higher Education Assistance Authority and
15 were contributing to the system on or after the effective date of Executive Order 74-
16 762 or 75-964, respectively, and file a written election of their desire to continue in
17 the system and all administrative and professional staff employees of the Higher
18 Education Assistance Authority who, on or after January 1, 1993, are not
19 participating in another retirement plan sponsored by the Higher Education
20 Assistance Authority;
- 21 (5) All persons who were professional staff employees of the Kentucky Authority for
22 Educational Television on and after July 1, 1974;
- 23 (6) All persons who are employees of the Teachers' Retirement System except
24 employees who are required to participate under the Teachers' Retirement System
25 under KRS 161.220(4)(d)~~f and~~

(7) Membership in the system shall not include those employees who are simultaneously contributing to another state-administered defined benefit plan within Kentucky other than those administered by the Kentucky Retirement System~~and~~

(8) Employees of the Kentucky Community and Technical College System who were previously contributing members and are not required to participate in the Teachers' Retirement System as a member; and new employees as of July 1, 1998, who are not eligible under the Teachers' Retirement System or who are not contributing to an optional retirement plan established by the board of regents for the Kentucky Community and Technical College System

Section 36. KRS 61.945 is amended to read as follows:

(1) There is hereby created an independent agency of state government to be known as the Kentucky Information Resources Management Commission, hereafter called the commission. It shall be the responsibility of the commission to coordinate and guide the application of information technologies and resources in the executive branch of state government.

(2) The commission shall consist of:

(a) Three (3) cabinet secretaries from the executive branch, at least one (1) of whom shall be from either the Transportation or Human Resources Cabinet, appointed by the Governor, or their respective designees;

(b) The state budget director or his designee;

(c) The commissioner of the Department of Information Systems;

(d) The State Librarian or his designee;

(e) One (1) representative from the public universities to be appointed by the Governor from a list of three (3) persons submitted by the ~~president~~~~executive director~~ of the Council on ~~Postsecondary~~~~Higher~~ Education;

(f) Two (2) citizen members from the private sector with information resources management knowledge and experience to be appointed by the Governor;

- 1 (g) One (1) representative of local government appointed by the Governor from a
- 2 list of six (6) persons, three (3) to be submitted by the president of the
- 3 Kentucky League of Cities, and three (3) to be submitted by the president of
- 4 the Kentucky Association of Counties;
- 5 (h) One (1) member of the press to be appointed by the Governor from a list of
- 6 three (3) persons submitted by the president of the Kentucky Press
- 7 Association;
- 8 (i) The executive director of the Kentucky Authority for Educational Television;
- 9 (j) The chairman of the Communications Advisory Council as an ex officio,
- 10 nonvoting member; and
- 11 (k) The chairman of the Geographic Information Advisory Council as an ex
- 12 officio, nonvoting member.
- 13 (3) The commission shall select from its membership a chairperson and any other
- 14 officers it considers essential. A member of the commission shall not:
- 15 (a) Be an officer, employee, registered legislative agent, Executive Branch
- 16 lobbyist, or paid consultant of a business entity that has, or of a trade
- 17 association for business entities that has, a substantial interest in the
- 18 information resources technology industry;
- 19 (b) Own, control, or have directly or indirectly, more than a ten percent (10%)
- 20 interest in a business entity that has a substantial interest in the information
- 21 resources technology industry;
- 22 (c) Be in any manner connected with any contract or bid for furnishing any state
- 23 governmental body with information resources systems, the computers on
- 24 which they are automated, or a service related to information resources
- 25 systems; or
- 26 (d) Receive anything of value from an individual, firm, or corporation to whom a
- 27 contract may be awarded, directly or indirectly, by rebate, gift, or otherwise.

- 1 (4) (a) It shall be a ground for removal of a member of the commission if the member:
- 2 1. Does not maintain during service on the commission the qualifications or
- 3 status required for initial appointment to the commission;
- 4 2. Violates a prohibition established by subsection (3) of this section; or
- 5 3. Is absent from three (3) consecutive meetings or more than half of the
- 6 regularly-scheduled commission meetings that the member is eligible to
- 7 attend during a state fiscal year unless the absence is excused by majority
- 8 vote of the commission.
- 9 (b) The validity of an action of the commission shall not be affected by the fact
- 10 that it was taken when a ground for removal of a member existed. If the
- 11 chairperson of the commission has knowledge that a potential ground for
- 12 removal of a commission member exists, the chairperson shall notify the
- 13 Governor of the potential ground for removal.
- 14 (5) (a) The term of office of the members specified in subsections (2)(b), (c), (d), (i),
- 15 (j), and (k) of this section shall be the same as the term of office by virtue of
- 16 which they serve upon the commission.
- 17 (b) The terms of the cabinet secretaries appointed pursuant to subsection (2)(a) of
- 18 this section shall be established in the commission's operating policies or
- 19 bylaws not to be less than two (2) years.
- 20 (6) Members of the commission appointed pursuant to subsections (2)(e), (f), (g), and
- 21 (h) of this section shall serve for a term of four (4) years. Vacancies in the
- 22 membership of the commission shall be filled in the same manner as the original
- 23 appointments. If a nominating organization changes its name, the subsequent
- 24 organization having the same responsibilities and purposes shall be the nominating
- 25 organization.
- 26 (7) Members of the commission shall serve without compensation, but shall be
- 27 reimbursed for actual expenses incurred in the performance of their duties.

- 1 (8) A majority of the members shall constitute a quorum for the transaction of business.
 2 Members' designees shall have voting privileges at commission meetings.

3 Section 37. KRS 61.955 is amended to read as follows:

- 4 (1) There is hereby created a Communications Advisory Council to the Kentucky
 5 Information Systems Commission for the development and coordination of statewide
 6 communications plans for the effective and efficient use of communications
 7 technology within state government.
- 8 (2) The Communications Advisory Council, hereinafter called the council, shall be
 9 responsible for assisting the Kentucky Information Systems Commission with the
 10 development and implementation of strategic plans for statewide communications.
- 11 (3) The council shall consist of:
- 12 (a) Two (2) officers of the Finance and Administration Cabinet which shall include
 13 the commissioners of the Department of Information Systems and Department
 14 of Facilities Management or their respective designees;
 - 15 (b) Two (2) representatives of the public universities appointed by the Governor
 16 from a list of four (4) persons submitted by the president~~[executive director]~~
 17 of the Council on Postsecondary~~[Higher]~~ Education;
 - 18 (c) The president~~[executive director]~~ of the Council on Postsecondary~~[Higher]~~
 19 Education or his designee;
 - 20 (d) The executive director of the Kentucky Authority for Educational Television
 21 or his designee;
 - 22 (e) The state librarian or his designee;
 - 23 (f) The chief state school officer or his designee;
 - 24 (g) The adjutant general or his designee;
 - 25 (h) The commissioner of the Department of State Police or his designee;
 - 26 (i) The executive director of the Administrative Office of the Courts or his
 27 designee;

- 1 (j) The executive director of the Public Service Commission or his designee;
- 2 (k) One (1) representative of local governments to be appointed by the Governor;
- 3 and
- 4 (l) Two (2) citizen members to be appointed by the Governor.
- 5 (4) A member of the council may not:
- 6 (a) Be an officer, employee, or paid consultant of a business entity, or of a trade
- 7 association for business entities, that has a substantial interest in the
- 8 communications industry;
- 9 (b) Own or control, directly or indirectly, more than a ten percent (10%) interest
- 10 in a business entity that has a substantial interest in the communications or
- 11 automated information industry; or
- 12 (c) Be in any manner connected with any contract or bid for furnishing any state
- 13 governmental body with communications systems or a service related to the
- 14 automation of information systems or the computers in which they are
- 15 automated, or a related service.
- 16 (5) A member of the council shall be removed if the member violates a prohibition
- 17 established by subsection (4) of this section. The validity of an action of the council
- 18 shall not be affected by the fact that it was taken when a ground for removal of a
- 19 member existed. If the chairman of the commission has knowledge that a potential
- 20 ground for removal of a council member exists, the chairman shall notify the
- 21 Governor of the potential ground for removal.
- 22 (6) The term of office of the members specified in subsections (3)(a) and (3)(c) to (3)(j)
- 23 shall be the same as the term of the office by virtue of which they serve upon the
- 24 council.
- 25 (7) Appointed members of the council shall serve for a term of four (4) years. Vacancies
- 26 in the membership of the council shall be filled in the same manner as the original
- 27 appointments.

1 (8) Members of the council shall serve without compensation, but shall be reimbursed
2 for actual expenses incurred in the performance of their duties.

3 (9) A majority of the members shall constitute a quorum for the transaction of business.
4 Members' designees shall have voting privileges at council meetings.

5 Section 38. KRS 61.958 is amended to read as follows:

6 (1) There is hereby established a Geographic Information Advisory Council, hereinafter
7 called the council, to the Kentucky Information Systems Commission to advise the
8 Governor, the General Assembly, the Judicial Branch, and the Kentucky Information
9 Systems Commission on issues as they relate to geographic information and
10 geographic information systems.

11 (2) The council shall establish and adopt policies and procedures that assist state and
12 local jurisdictions in developing, deploying, and leveraging geographic information
13 resources and geographic information systems technology for the purpose of
14 improving public administration.

15 (3) The council shall closely coordinate with users of geographic information systems to
16 establish policies and procedures that insure the maximum use of geographic
17 information by minimizing the redundancy of geographic information and geographic
18 information resources.

19 (4) The Geographic Information Advisory Council shall consist of twenty-five (25)
20 members and one (1) legislative liaison. The members shall be knowledgeable in the
21 use and application of geographic information systems technology and shall have
22 sufficient authority within their organizations to influence the implementation of
23 council recommendations.

24 (a) The council shall consist of:

- 25 1. The secretary of the Transportation Cabinet or his designee;
- 26 2. The secretary of the Cabinet for Human Resources or his designee;
- 27 3. The director of the Kentucky Geological Survey or his designee;

- 1 4. The secretary of the Revenue Cabinet or his designee;
- 2 5. The commissioner of the Department of Information Systems or his
- 3 designee;
- 4 6. The secretary of the Economic Development Cabinet or his designee;
- 5 7. The commissioner of the Department of Local Government or his
- 6 designee;
- 7 8. The secretary of the Justice Cabinet or his designee;
- 8 9. One (1) member appointed by the Governor from a list of three (3)
- 9 persons submitted by the president~~[executive director]~~ of the Council on
- 10 Postsecondary~~Higher~~ Education;
- 11 10. The adjutant general of the Department of Military Affairs or his
- 12 designee;
- 13 11. The commissioner of the Department of Education or his designee;
- 14 12. The secretary of the Natural Resources and Environmental Protection
- 15 Cabinet or his designee;
- 16 13. The commissioner of the Department of Agriculture or his designee;
- 17 14. The secretary of the Public Protection and Regulation Cabinet or his
- 18 designee;
- 19 15. The secretary of the Tourism Cabinet or his designee;
- 20 16. Two (2) members appointed by the Governor from a list of six (6)
- 21 persons submitted by the president of the Kentucky League of Cities;
- 22 17. Two (2) members appointed by the Governor from a list of six (6)
- 23 persons submitted by the president of the Kentucky Association of
- 24 Counties;
- 25 18. One (1) member appointed by the Governor from a list of three (3)
- 26 persons submitted by the president of the Kentucky Chapter of the
- 27 American Planning Association;

- 1 19. One (1) member appointed by the Governor from a list of three (3)
- 2 persons submitted by the president of the Kentucky Chamber of
- 3 Commerce;
- 4 20. One (1) member appointed by the Governor from a list of three (3)
- 5 persons submitted by the president of the Kentucky Association of Land
- 6 Surveyors;
- 7 21. One (1) member appointed by the Governor from a list of three (3)
- 8 persons submitted by the president of the Kentucky Society of
- 9 Professional Engineers; and
- 10 22. One (1) member appointed by the Governor from a list of three (3)
- 11 persons submitted by the chairman of the Kentucky Board of Registered
- 12 Geologists; and
- 13 23. One (1) member appointed by the Governor from a list of three (3)
- 14 persons submitted by the president of the Council of Area Development
- 15 Districts.
- 16 (b) The council shall have one (1) nonvoting legislative liaison, to be appointed by
- 17 the Legislative Research Commission.
- 18 (5) The council shall select from its membership a chairman and any other officers it
- 19 considers essential. The council may have committees and subcommittees as
- 20 determined by the council or an executive committee, if an executive committee
- 21 exists.
- 22 (6) A member of the council shall not:
- 23 (a) Be an officer, employee, or paid consultant of a business entity that has, or of a
- 24 trade association for business entities that has, a substantial interest in the
- 25 geographic information industry and is doing business in the Commonwealth;

- 1 (b) Own, control, or have directly or indirectly, more than ten percent (10%)
2 interest in a business entity that has a substantial interest in the geographic
3 information industry;
- 4 (c) Be in any manner connected with any contract or bid for furnishing any
5 governmental body of the Commonwealth with geographic information
6 systems, the computers on which they are automated, or a service related to
7 geographic information systems;
- 8 (d) Be a person required to register as a lobbyist because of activities for
9 compensation on behalf of a business entity that has, or on behalf of a trade
10 association of business entities that have substantial interest in the geographic
11 information industry;
- 12 (e) Accept or receive money or another thing of value from an individual, firm, or
13 corporation to whom a contract may be awarded, directly or indirectly, by
14 rebate, gift, or otherwise;
- 15 (f) Be liable to civil action or any action performed in good faith in the
16 performance of duties as a council member.
- 17 (7) Those council members specified in subsection (4)(a) of this section who serve by
18 virtue of an office shall serve on the council while they hold that office.
- 19 (8) Appointed members of the council shall serve for a term of four (4) years. Vacancies
20 in the membership of the council shall be filled in the same manner as the original
21 appointments. If a nominating organization changes its name, its successor
22 organization having the same responsibilities and purposes shall be the nominating
23 organization.
- 24 (9) The council shall have no funds of its own, and council members shall not receive
25 compensation of any kind from the council.
- 26 (10) A majority of the members shall constitute a quorum for the transaction of business.
27 Members' designees shall have voting privileges at council meetings.

1 Section 39. KRS 63.080 is amended to read as follows:

- 2 (1) Except as provided in subsection (2) of this section and otherwise provided by law,
 3 any person appointed by the Governor, either with or without the advice and consent
 4 of the Senate, may be removed from office by the Governor for any cause the
 5 Governor deems sufficient, by an order of the Governor entered in the executive
 6 journal removing the officer.
- 7 (2) Members of the board of trustees of the University of Kentucky, the board of
 8 trustees of the University of Louisville, members of the board of regents respectively
 9 of Eastern Kentucky University, Western Kentucky University, Morehead State
 10 University, Kentucky State University, Northern Kentucky University,~~and~~ Murray
 11 State University, and the Kentucky Community and Technical College System,
 12 and members of the Kentucky Board of Education and the Council on
 13 Postsecondary~~Higher~~ Education shall not be removed except for cause.

14 Section 40. KRS 95A.020 is amended to read as follows:

- 15 (1) There is hereby created the Commission on Fire Protection Personnel Standards and
 16 Education, hereinafter called "commission," which shall be attached to the state fire
 17 marshal's office in the Department of Housing, Buildings and Construction.
- 18 (2) The commission shall be composed of seventeen (17) members, residents of the
 19 State of Kentucky, appointed by the Governor. These members should be persons
 20 well qualified by experience or education in the field of fire protection or related
 21 fields.
- 22 (3) The membership of the commission shall include:
- 23 (a) Two (2) volunteer firefighters, neither of which is a fire chief or assistant fire
 24 chief;
- 25 (b) Three (3) paid firefighters, at least one (1) of whom shall be a full-time paid
 26 county firefighter and none of whom shall be a fire chief or assistant fire chief;

- 1 (c) One (1) trustee of a volunteer fire department or fire district who is not a
- 2 volunteer firefighter;
- 3 (d) Two (2) fire chiefs of paid fire departments;
- 4 (e) One (1) licensed physician;
- 5 (f) Two (2) fire chiefs of volunteer fire departments;
- 6 (g) One (1) teacher or administrator representing the fire and rescue training
- 7 service of the Kentucky Community and Technical College System~~[Office of~~
- 8 ~~Kentucky Tech System of the Department for Adult and Technical Education~~
- 9 ~~in the Workforce Development Cabinet]~~
- 10 (h) One (1) representative of the Division of Disaster and Emergency Services of
- 11 the Department of Military Affairs;
- 12 (i) One (1) mayor of a Kentucky city;
- 13 (j) One (1) county judge/executive;
- 14 (k) One (1) representative of Kentucky industry or business enterprise; and
- 15 (l) One (1) representative of the general public.

16 The chancellor for the Technical Institutions' Branch of the Kentucky
 17 Community and Technical College System~~[commissioner of the Department for~~
 18 ~~Adult and Technical Education]~~ and the state fire marshal, or their designees, shall
 19 serve as ex officio members of the commission. Their designees shall have full voting
 20 rights. Appointive members shall be appointed for a term of four (4) years. Any
 21 member chosen by the Governor to fill a vacancy created otherwise than by
 22 expiration of term shall be appointed for the unexpired term of the member he is
 23 chosen to succeed.

- 24 (4) Members of the commission shall receive no compensation for their services but
- 25 shall be allowed their actual and necessary expenses incurred in the performance of
- 26 their functions~~{ hereunder }~~

1 (5) Members of the commission appointed pursuant to this section shall first be
 2 appointed on July 15, 1980. The terms of members appointed earlier shall terminate
 3 on July 15, 1980, but the Governor may reappoint those members who qualify under
 4 the provisions of this section.

5 Section 41. KRS 138.510 is amended to read as follows:

6 (1) Except for the conduct of harness racing at a county fair, an excise tax is imposed on
 7 all tracks conducting pari-mutuel racing under the jurisdiction of the Kentucky
 8 Racing Commission. For each track with a daily average handle of one million two
 9 hundred thousand dollars (\$1,200,000) or above, the tax shall be in the amount of
 10 three and one-half percent (3.5%) of all money wagered during the fiscal year. A
 11 fiscal year as used in this subsection and subsection (2) shall begin at 12:01 a.m. July
 12 1 and end at 12 midnight June 30. For each track with a daily average handle under
 13 one million two hundred thousand dollars (\$1,200,000) the tax shall be an amount
 14 equal to one and one-half percent (1.5%) of all money wagered during the fiscal
 15 year. For the purposes of this subsection, the daily average handle shall be computed
 16 from the amount wagered only at the host track on live racing and shall not include
 17 money wagered~~[-]~~

- 18 (a) At a receiving track;
- 19 (b) At a simulcast facility;
- 20 (c) On telephone account wagering; or
- 21 (d) At a track participating as a receiving track or simulcast facility displaying
 22 simulcasts and conducting interstate wagering as permitted by KRS 230.3771
 23 and 230.3773.

24 Money shall be deducted from the tax paid by host tracks and deposited to the
 25 respective development funds in the amount of three-quarters of one percent
 26 (0.75%) of the live racing handle for thoroughbred racing and one percent (1%) of
 27 the live handle for harness racing.

- 1 (2) An excise tax is imposed ~~on~~^{of}
 - 2 (a) All licensed tracks conducting telephone account wagering;
 - 3 (b) All tracks participating as receiving tracks in intertrack wagering under the
 - 4 jurisdiction of the Kentucky Racing Commission; and
 - 5 (c) All tracks participating as receiving tracks displaying simulcasts and
 - 6 conducting interstate wagering thereon.
- 7 (3) The tax imposed in subsection (2) of this section shall be in the amount of three
- 8 percent (3%) of all money wagered under subsection (2) of this section during the
- 9 fiscal year.
- 10 (4) An amount equal to two percent (2%) of the amount wagered shall be deducted
- 11 from the tax imposed in subsection (2) of this section and deposited as follows:
 - 12 (a) If the money is deducted from taxes imposed under subsection (2)(a) and (b)
 - 13 of this section, it shall be deposited in the thoroughbred development fund if
 - 14 the host track is conducting a thoroughbred race meeting or the Kentucky
 - 15 standardbred, quarter horse, Appaloosa, and Arabian development fund, if the
 - 16 host track is conducting a harness race meeting; or
 - 17 (b) If the money is deducted from taxes imposed under subsection (2)(c) of this
 - 18 section, to the thoroughbred development fund if interstate wagering is
 - 19 conducted on a thoroughbred race meeting or to the Kentucky standardbred,
 - 20 quarter horse, Appaloosa, and Arabian development fund, if interstate
 - 21 wagering is being conducted on a harness race meeting.
- 22 (5) Two-tenths of one percent (0.2%) of the total amount wagered on live racing in
- 23 Kentucky shall be deducted from the pari-mutuel tax levied in subsection (1) of this
- 24 section, and one-twentieth of one percent (0.05%) of the total amount wagered on
- 25 intertrack wagering shall be deducted for the pari-mutuel tax levied in subsection (2)
- 26 of this section, and allocated to the equine industry program trust and revolving fund
- 27 to be used for funding the equine industry program at the University of Louisville.

1 (6) One-tenth of one percent (0.1%) of the total amount wagered in Kentucky shall be
 2 deducted from the pari-mutuel tax levied in subsections (1), (2), and (3) of this
 3 section and deposited to a trust and revolving fund to be used for the construction,
 4 expansion, or renovation of facilities or the purchase of equipment for equine
 5 programs at state universities. These funds shall not be used for salaries or for
 6 operating funds for teaching, research, or administration. Funds allocated under this
 7 subsection shall not replace other funds for capital purposes or operation of equine
 8 programs at state universities. The Kentucky Council on Postsecondary~~Higher~~
 9 Education shall serve as the administrative agent and shall establish an advisory
 10 committee of interested parties, including all universities with established equine
 11 programs, to evaluate proposals and make recommendations for the awarding of
 12 funds. The Kentucky Council on Postsecondary~~Higher~~ Education may by
 13 administrative regulation establish procedures for administering the program and
 14 criteria for evaluating and awarding grants.

15 Section 42. KRS 151B.025 is amended to read as follows:

- 16 (1) The Department for Technical Education is hereby created and shall be attached to
 17 the Cabinet for Workforce Development. The department shall consist of a
 18 commissioner and those administrative bodies and employees provided or appointed
 19 pursuant to law.
- 20 (2) The chief executive officer of the department shall be the commissioner of the
 21 Department for Technical Education. The appointment of the commissioner shall be
 22 made from a list of three (3) names submitted by the State Board for Adult and
 23 Technical Education to the secretary and the Governor. The commissioner shall be
 24 appointed by the secretary of the Cabinet for Workforce Development from the list
 25 with the approval of the Governor. The commissioner shall have general supervision
 26 and direction over all functions of the department and its employees, and shall be
 27 responsible for carrying out the programs and policies of the department. The

commissioner shall be responsible for implementing policies adopted by the State Board for Adult and Technical Education. The commissioner may delegate authority to deputies who may then act on his behalf in performing the duties assigned in this subsection~~herein~~.

(3) The department shall have the responsibility for all administrative functions of the state in relation to the management, control, and operation of ~~nondegree programs in post-secondary and vocational technical education, and may exercise the general powers and functions relating to a Kentucky technical system of state vocational technical schools,~~ state-operated secondary area vocational education and technology centers~~, state technical institutes, and technology centers~~. When appropriate, the department shall provide education training programs through contracts with private business and industries. These programs may be on a shared cost basis or on a total cost recovery basis.

(4) The department shall have the authority to enter into agreements or contracts with other government or education agencies, including local school districts, in order to carry out services under its jurisdiction.

(5) Secondary area vocational education and technology centers shall be operated in compliance with program standards established by the Kentucky Board of Education. Principals, counselors, and teaching staff shall meet the qualifications and certification standards for all secondary vocational personnel as established by the Educational Professional Standards Board~~Kentucky Board of Education. Program standards and qualification of staff in the post-secondary institutions shall be governed solely by the State Board for Adult and Technical Education~~. In addition to direct appropriations, funds appropriated to support the cost of operating area vocational education and technology centers shall be transferred annually from the secondary funds administered by the Kentucky Department of Education for that purpose.

- 1 (6) The Department for Technical Education, in the operation and management of its
 2 schools and the programs at those schools, shall meet all required federal and state
 3 standards relating to facilities and personnel qualification; provided, however, that
 4 no license or license fee shall be required for any school or program operated by the
 5 Department for Technical Education.
- 6 (7) The Department for Technical Education shall be the education agency solely
 7 designated for the purpose of developing and approving state plans required by state
 8 or federal laws and regulations as prerequisites to receiving federal funds for
 9 vocational-technical or technology education. The department shall involve
 10 representatives from all eligible recipient categories in the development of such
 11 plans.
- 12 (8) The department shall be permitted to enter into memorandums of agreement with
 13 individuals on a year to year basis to fill positions in hard-to-find teaching
 14 specialties~~[specialities]~~. Such agreements and compensation shall be approved by the
 15 State Board for Adult and Technical Education, but shall not be subject to the
 16 provisions of KRS Chapter 45A~~[45]~~. All such agreements shall be filed with the
 17 secretary of the Finance and Administration Cabinet.
- 18 (9) The commissioner of the Department for Technical Education shall, from time to
 19 time, prepare or cause to be prepared, and submit for approval and publication by
 20 the State Board for Adult and Technical Education, any bulletins, programs, outlines
 21 of courses, placards, and courses of study he deems useful in the promotion of the
 22 interests of technical and vocational education.
- 23 (10) The department shall prepare a biennial budget request and submit it for review by
 24 the State Board for Adult and Technical Education. The budget shall be forwarded
 25 to the secretary of the Cabinet for Workforce Development for review and
 26 modification.
- 27 Section 43. KRS 151B.030 is amended to read as follows:

1 The Department for Technical Education shall be divided according to the following
2 organizational structure:

3 (1) The commissioner of the Department for Technical Education shall appoint a deputy
4 commissioner for technical education pursuant to KRS 12.050, who shall serve as
5 secretary to the State Board for Adult and Technical Education. ~~The deputy~~
6 ~~commissioner shall also directly supervise the Office of the Kentucky Tech System,~~
7 ~~which is created by subsection (3) of this section.]~~

8 (2) There is hereby created a Division of Administrative ~~Federal Programs and~~
9 ~~Support~~ Services within the Department for Technical Education. The division shall
10 be headed by a director appointed by the commissioner of the Department for
11 Technical Education. The division shall be composed of organizational entities as
12 deemed appropriate by the commissioner of the Department for Technical Education
13 as set forth by administrative order.

14 (3) There is hereby created an Office of Area Vocational Education and Technology
15 Centers ~~the Kentucky Tech System~~ within the Department for Technical Education.
16 The office shall be headed by an office head appointed by the commissioner of the
17 Department for Technical Education pursuant to KRS 12.050. The office head shall
18 be an individual with a background in school administration and supervision and
19 shall be otherwise reasonably qualified to carry out the duties of the office. The
20 office shall be comprised of the system of state-operated secondary ~~vocational~~
21 ~~technical schools and~~ area vocational education and technology centers ~~known as~~
22 ~~the Kentucky Tech System~~. The office shall be composed of the Division of School
23 Management ~~Operations~~, the Division of Curriculum Services ~~Program~~
24 ~~Management~~, an Ombudsman, and an assistant for budget analysis. Each division
25 shall be headed by a director appointed by the commissioner of the Department for
26 Technical Education and shall be composed of such organizational entities as

1 deemed appropriate by the commissioner of the Department for Technical Education
2 as set forth by administrative order.

3 Section 44. KRS 151B.035 is amended to read as follows:

4 (1) The State Board for Adult and Technical Education shall promulgate, by
5 administrative regulations, personnel policies and procedures for all full-time and
6 part-time unclassified employees, certified and equivalent staff, including
7 administrative, teaching, and supervisory staff in the Department for Adult
8 Education and Literacy and the Department for Technical Education central offices,
9 state-operated vocational facilities, and regional staffs. All other staff shall remain
10 under the authority of the Kentucky Department of Personnel and KRS Chapter
11 18A. Employees who transfer to or from the KRS Chapter 18A personnel system
12 shall transfer accrued annual, compensatory, and sick leave.

13 (2) As provided in this chapter, the State Board for Adult and Technical Education shall
14 promulgate comprehensive administrative regulations for the administration of a
15 personnel system in the Department for Adult Education and Literacy and the
16 Department for Technical Education which are consistent with the provisions of this
17 chapter and with federal standards for state government agencies receiving federal
18 grants.

19 (3) The board shall promulgate comprehensive administrative regulations for full-time
20 and part-time certified and equivalent staff governing:

- 21 (a) Establishment and abolishment of positions;
- 22 (b) Applications;
- 23 (c) Certification;
- 24 (d) Classification and compensation plans;
- 25 (e) Incentive programs;
- 26 (f) Selection of employees;
- 27 (g) Types of appointments;

- 1 (h) Attendance, including hours of work, compensatory time, and annual, court,
- 2 military, sick, voting, and special leaves of absence;
- 3 (i) Preparation, maintenance, and revision of a position classification plan and an
- 4 equitable salary schedule for certified and equivalent staff based on
- 5 qualifications, experience, and responsibilities;
- 6 (j) Extent and duration of the state-operated area vocational education and
- 7 technology centers~~[Kentucky Tech System]~~ school term, use of school days,
- 8 and extended employment;
- 9 (k) Employee evaluations;
- 10 (l) Programs to improve the work effectiveness of employees including staff
- 11 development;
- 12 (m) Demotion;
- 13 (n) Dismissal;
- 14 (o) Layoffs;
- 15 (p) Suspensions and other disciplinary measures;
- 16 (q) Probationary periods, limited employment status, and continuing employment
- 17 status;
- 18 (r) Promotion;
- 19 (s) Transfer;
- 20 (t) Appeals; and
- 21 (u) Employee grievances and complaints.
- 22 (4) (a) Administrative regulations promulgated by the board shall comply with the
- 23 provisions of this chapter and KRS Chapter 13A, and shall have the force and
- 24 effect of law, when approved by the board, and after compliance with the
- 25 provisions of KRS Chapter 13A.

- 1 (b) Administrative regulations promulgated by the board shall not expand or
2 restrict rights granted to, or duties imposed upon, employees and
3 administrative bodies by the provisions of this chapter.
- 4 (c) No administrative body other than the State Board for Adult and Technical
5 Education shall promulgate administrative regulations governing the subject
6 matters specified in this section.
- 7 (d) Policies and procedures for the implementation of administrative regulations
8 shall be developed by the Department for Adult Education and Literacy and
9 the Department for Technical Education.
- 10 (5) The commissioner for Adult Education and Literacy and the commissioner for
11 Technical Education shall be the appointing authorities with respect to all personnel
12 actions for their respective departments. Each commissioner may authorize a
13 designee to act on behalf of his agency with respect to employee appointments,
14 position establishments, payroll documents, reemployment lists, waiver requests, or
15 other position actions. Such designation shall be in writing. Authority to employ
16 personnel may be delegated to the vocational school management by state board
17 policy and procedure. Any recommendation for employment from the local level
18 shall be based on guidelines promulgated by the state board and shall be contingent
19 upon confirmation by the commissioner and the board.
- 20 (6) The board shall promulgate other administrative regulations to govern its
21 proceedings which relate to certified and equivalent employees and which shall
22 provide for:
- 23 (a) The procedures to be utilized by the board in the conduct of hearings,
24 consistent with KRS Chapter 13B;
- 25 (b) Discharge, as provided by this section;
- 26 (c) Imposition, as a disciplinary measure, of a suspension from service without pay
27 for up to thirty (30) working days and, in accordance with the provisions of

- 1 KRS 151B.055, for the manner of notification of the employee of the discipline
2 and right of appeal;
- 3 (d) Promotions which shall give appropriate consideration to the applicant's
4 qualifications, record of performance, and conduct;
- 5 (e) Supplementary information for the salary schedule for certified and equivalent
6 staff including teachers, counselors, administrators, managers, and educational
7 consultants in state-operated vocational technical facilities, field offices, and
8 central office in the Department for Adult Education and Literacy and the
9 Department for Technical Education that shall provide uniformity, recognition
10 of education, teaching, and supervisory experience and use as a base the
11 average salary paid to beginning classroom teachers by all public schools in the
12 state for personnel with comparable qualifications and experience. Indexes may
13 be incorporated in the compensation plan for administrative responsibilities.
14 The salary schedule shall be computed annually, and shall be submitted to and
15 approved by the Governor;
- 16 (f) Reemployment of laid-off employees in accordance with the provisions of this
17 chapter;
- 18 (g) Establishment of a plan for resolving employee grievances and complaints. The
19 plan shall not restrict rights granted employees by the provisions of this
20 chapter; and
- 21 (h) Any other administrative regulations not inconsistent with this chapter and
22 KRS Chapter 13A proper and necessary for its enforcement.
- 23 (7) The board shall make investigations, either on petition of a citizen, taxpayer,
24 interested party, or on its own motion, concerning the enforcement and effect of
25 KRS 151B.035 to 151B.090, shall require observance of its provisions and the
26 administrative regulations promulgated pursuant to the provisions of this chapter and

1 KRS Chapter 13A, and shall make investigation as requested by the General
2 Assembly or the Governor and to report thereon.

3 (8) The board shall promulgate administrative regulations, pursuant to KRS Chapter
4 13A, for an appeal system for aggrieved certified or equivalent employees.

5 (9) The board shall hear appeals from applicants for positions or from certified,
6 equivalent, and unclassified employees who have been dismissed, demoted,
7 suspended, or otherwise penalized for cause.

8 (10) The board may, any statute to the contrary notwithstanding, delegate the conduct of
9 the hearing and the rendition of a recommended order to the full board, to a panel of
10 the board, or to a hearing officer, relative to any hearing appeal, or decision, judicial
11 or quasi-judicial in nature, which the board is empowered or directed, by this or any
12 other chapter, to conduct, hear, or make; provided, however, that the full board as
13 provided by statute, makes the final order, based upon the evidence submitted.

14 (11) The board shall promulgate administrative regulations, pursuant to KRS Chapter
15 13A, governing the unclassified service including the preparation and maintenance of
16 a salary schedule and other administrative regulations authorized by this chapter.

17 (12) The annual percentage salary increment for all certified and equivalent employees
18 subject to the personnel system established under this chapter shall be at least equal
19 to that funded and provided for other elementary and secondary teachers.

20 (13) The positions of employees who are transferred, effective July 1, 1998, from the
21 Cabinet for Workforce Development to the Kentucky Community and Technical
22 College System shall be abolished and the employees' names removed from the
23 roster of state employees. Employees who are transferred, effective July 1, 1998,
24 to the Kentucky Community and Technical College System under KRS Chapter
25 164 shall have the same benefits and rights as they had under KRS Chapter 18A
26 and have under Section 18 of this Act; however, they shall have no guaranteed
27 reemployment rights in the KRS Chapter 151B or KRS Chapter 18A personnel

systems. An employee who seeks reemployment in a state position under KRS Chapter 151B or KRS Chapter 18A shall have years of service in the Kentucky Community and Technical College System counted toward years of experience for calculating benefits and compensation.

Section 45. KRS 151B.075 is amended to read as follows:

- (1) The State Board for Adult and Technical Education shall adopt written evaluation procedures for all certified and equivalent employees. The procedures shall be based upon recommendations received from the commissioner for adult education and literacy, the commissioner for technical education, and a committee composed of equal numbers of teachers, counselors, and administrators.
- (2) Evaluations shall be in writing. An evaluator shall follow all statutory and regulatory provisions for evaluation and shall present and explain all documentation affecting an employee's evaluation, as well as discuss every aspect of performance with the employee at each evaluation. The evaluator shall solicit the employee's opinions and suggestions and shall advise the employee of the measures needed to improve performance.
- (3) Each full-time employee who has completed initial probation, and each part-time employee who works over one hundred (100) hours each month and who has completed initial probation shall be evaluated.
- (4) (a) The first-line supervisor of an employee shall be the evaluator, providing the period of supervision has been for a period of at least ninety (90) calendar days.
- (b) If the evaluator has supervised an employee for at least ninety (90) calendar days and ceases to be the employee's first-line supervisor after such period of time, the evaluation of the employee shall be at least five (5) working days prior to the day when the responsibility for supervision ceases.

- 1 (c) If the first-line supervisor ceases to be the supervisor of an employee due to
 2 the suspension, demotion, or dismissal of the first-line supervisor, paragraph
 3 (b) of this subsection shall not apply.
- 4 (d) If the first-line supervisor ceases to be an employee's supervisor because the
 5 employee transfers, the first-line supervisor shall evaluate the employee prior
 6 to transfer, if the period of supervision of the employee is not less than ninety
 7 (90) calendar days prior to notification of transfer.
- 8 (5) Teachers and administrators in the state-operated secondary area vocational
 9 education and technology centers~~[schools]~~ shall be evaluated in the following
 10 categories and appropriate criteria for each category shall be described in the written
 11 evaluation procedure:
- 12 (a) School or classroom management, as appropriate;
 13 (b) Job knowledge and skills;
 14 (c) Instructional management;
 15 (d) Employee conduct; and
 16 (e) Professional responsibility.
- 17 (6) All other certified and equivalent staff in the field and in the central office shall be
 18 evaluated in the following categories with appropriate criteria described in written
 19 evaluation procedures:
- 20 (a) Job knowledge and skills;
 21 (b) Quality of work;
 22 (c) Employee conduct; and
 23 (d) Professional responsibility.
- 24 (7) There shall be established by the state board an evaluation appeals procedure for
 25 certified or equivalent personnel in the Department for Adult Education and Literacy
 26 and the Department for Technical Education.

- 1 (8) (a) Within five (5) working days of an evaluation, an employee may request
2 reconsideration of the evaluation by the evaluator.
- 3 (b) Within five (5) working days of the reconsideration, an employee may:
- 4 1. Submit a written response to any evaluation which shall be attached to
5 the evaluation; and
- 6 2. Submit a written request for reconsideration of any evaluation to the
7 second-line supervisor.
- 8 (c) No later than fifteen (15) working days after receipt of the request, the second-
9 line supervisor shall inform the employee and the evaluator in writing of the
10 decision after the second-line supervisor has:
- 11 1. Obtained written statements from both the employee and the evaluator;
12 or
- 13 2. Met with the employee and the evaluator; and
- 14 3. Reviewed the evaluation process according to statutory or regulatory
15 requirements as well as the ratings.
- 16 (9) Within thirty (30) days after the employee has received the written decision of the
17 second-line supervisor, the employee may appeal an evaluation to the next level. For
18 the state-operated secondary area vocational education and technology
19 centers~~[Kentucky Tech System]~~, this appeal shall go to the ombudsman for
20 mediation. If not resolved at this level, the employee may file an appeal with the
21 commissioner of the Department for Technical Education who shall make a final
22 ruling. For other employees in the Department for Adult Education and Literacy and
23 the Department for Technical Education, this appeal shall go to the appropriate
24 office head and then to the commissioner.
- 25 (10) If an employee receives an overall unsatisfactory evaluation rating on two (2)
26 successive evaluations, the employee shall be:
- 27 (a) Demoted to a position commensurate with abilities; or

1 (b) Terminated.

2 Section 46. KRS 151B.095 is amended to read as follows:

- 3 (1) There is hereby established the State Board for Adult and Technical Education to be
 4 attached to the Cabinet for Workforce Development, which shall consist of nine (9)
 5 voting members, one (1) from each Supreme Court district as established by KRS
 6 21A.010 and two (2) members from the state at large. Members shall serve for terms
 7 of four (4) years. A chairperson shall be selected by the membership.
- 8 (2) The Governor shall make appointments to the board and fill any vacancies as they
 9 occur. Appointments shall conform to subsection (4) of this section.
- 10 (3) The terms of the appointees shall expire on June 30 in the appropriate year, and the
 11 terms of each new member appointed thereafter shall begin on July 1.
- 12 (4) The members of the State Board for Adult and Technical Education shall have the
 13 qualifications of school board members required by KRS 160.180, except that
 14 members of the board shall be at least thirty (30) years of age. Appointments shall be
 15 made without reference to occupation, political affiliation, or similar considerations.
 16 No member at the time of his appointment or during the term of his service shall be
 17 engaged as a professional educator.
- 18 (5) Members of the State Board for Adult and Technical Education shall possess an
 19 understanding of business and industry and a knowledge of occupational and
 20 academic needs of adults. At least one (1) member shall possess a knowledge of
 21 vocational rehabilitation services.
- 22 (6) The board may~~shall have the authority to~~ enter into agreements with other
 23 agencies in order to carry out services under its jurisdiction.
- 24 (7) The board may enter into agreements with the Kentucky Community and
 25 Technical College System to provide space and equipment for programs for
 26 adults in the state-operated area vocational education and technology centers.
 27 The board shall not operate full-time diploma postsecondary programs unless

1 there is an agreement to operate these programs with the Kentucky Community
 2 and Technical College System ~~[shall be responsible for establishing priorities for,~~
 3 ~~and approval of, construction of facilities designed for vocational-occupational~~
 4 ~~programs].~~

5 ~~[(8) The board, in conjunction with the Council on Higher Education, shall, by program~~
 6 ~~title, prepare a complete listing of programs of a vocational-technical-occupational~~
 7 ~~nature offered in public institutions of higher education and the community colleges,~~
 8 ~~state vocational-technical schools and centers, and junior and senior high schools.~~
 9 ~~These listings shall distinguish between vocational-technical-occupational programs~~
 10 ~~for which approval is required by the state board and other general education~~
 11 ~~programs.~~

12 ~~(9) The board shall have the authority and responsibility to review and to make~~
 13 ~~recommendations to the Council on Higher Education concerning both new and~~
 14 ~~existing programs at the associate degree level offered at the institutions of public~~
 15 ~~higher education, including the community colleges, if these programs are of a~~
 16 ~~vocational-technical-occupational nature.]~~

17 Section 47. KRS 151B.110 is amended to read as follows:

18 The State Board for Adult and Technical Education shall have the management and
 19 control of state-operated secondary area vocational education and technology
 20 centers ~~[vocational schools], and all programs and services operated in these [schools and]~~
 21 centers. In addition, it shall be responsible for adult education and literacy programs and
 22 services.

23 Section 48. KRS 151B.115 is repealed, reenacted, as a new section of KRS
 24 Chapter 164, and is amended to read as follows:

25 Vocational and nonvocational programs offered at the state universities shall be operated
 26 and administered by those universities consistent with the regulations developed by the
 27 board of trustees or regents and approved by the Council on Postsecondary ~~[Higher]~~

1 Education for the issuance of associate, baccalaureate, or graduate degrees.~~[-The State~~
 2 ~~Board for Adult and Technical Education shall not operate or administer any programs for~~
 3 ~~such degrees.]~~ Joint programming and articulation of vocational-technical education
 4 nondegree programs with associate degree programs shall be pursued between the
 5 Kentucky Community and Technical College System and other postsecondary
 6 institutions when feasible. No public institution of higher education~~[-including the~~
 7 ~~community colleges,]~~ shall offer any new program of a vocational-technical-occupational
 8 nature below the associate degree level without the review~~[consent]~~ of the~~[-State]~~ board
 9 of regents for the Kentucky Community~~[Adult]~~ and Technical College System and the
 10 approval of the Council on Postsecondary Education. The~~[-State]~~ board of regents for
 11 the Kentucky Community~~[Adult]~~ and Technical College System~~[Education]~~, with
 12 approval of the Council on Postsecondary~~[Higher]~~ Education, may contract with public
 13 institutions of higher education for the operation of specific programs and projects.

14 Section 49. KRS 151B.165 is amended to read as follows:

15 Tuition and fees for secondary pupils enrolled in the state secondary~~[vocational-technical~~
 16 ~~schools and]~~ area vocational education and technology centers operated by the
 17 Department for Technical Education shall be free to all residents of Kentucky. The State
 18 Board for Adult and Technical Education shall fix the rate of tuition and fees for~~[-~~
 19 ~~postsecondary pupils and]~~ adults who are enrolled in secondary programs in the state~~[-~~
 20 ~~operated[-vocational-technical schools and]~~ area vocational education and technology
 21 centers under its control. Adult students enrolled in full-time postsecondary programs
 22 under the jurisdiction of the Kentucky Community and Technical College System that
 23 are physically located in an area vocational education or technology center shall pay
 24 the tuition as established by the Council on Postsecondary Education and fees as
 25 established by the board of regents for the Kentucky Community and Technical
 26 College System.~~[-The state board shall fix the rate of tuition and fees and the conditions~~
 27 ~~on which postsecondary pupils and adults who are not residents of Kentucky shall be~~

~~admitted. The state board shall fix such incidental fees as it deems necessary to meet such incidental expenses of postsecondary pupils and adults as may be incurred.]~~

Section 50. KRS 151B.175 is amended to read as follows:

(1) The commissioner of the Department for Technical Education is authorized to provide medical and accident insurance for students enrolled in the state secondary area technology centers~~[vocational-technical schools]~~ and area vocational education centers. The Department for Technical Education may enter into a contract or contracts with one (1) or more sureties or insurance companies or their agents to provide appropriate medical and accident insurance coverage and to provide group coverage to all students enrolled in state-operated~~[state-vocational-technical]~~ schools under its jurisdiction~~[and area vocational education centers]~~. The appropriate group coverage shall be issued by one (1) or more sureties or insurance companies authorized to transact business in this state, and such coverage shall be approved by the commissioner of insurance.

(2) The State Board for Adult and Technical Education, upon the recommendation of the commissioner of the Department for Technical Education, shall promulgate administrative regulations to implement the medical and accident insurance program. The State Board for Adult and Technical Education may fix the rate of fees for all secondary~~[and postsecondary]~~ students~~[and adults]~~, the provisions of KRS 151B.165 with respect to fees for secondary students notwithstanding, as it deems necessary to meet the expense in whole or in part for appropriate student medical and accident insurance.

(3) The limits of liability and other appropriate provisions for student medical and accident insurance authorized by this section shall be set by the State Board for Adult and Technical Education.

Section 51. KRS 151B.215 is amended to read as follows:

- 1 (1) The Kentucky Occupational Information Coordinating Committee (KOICC) is
2 hereby created and shall be attached to the Office for Workforce Analysis and
3 Research within the Office of the Secretary of the Cabinet for Workforce
4 Development.
- 5 (2) The committee shall coordinate the development, gathering, aggregation, analysis,
6 dissemination, and application of occupational, labor market, educational training,
7 and career information for the purpose of planning and administering occupational,
8 career, employment training, and economic development efforts and for its use in
9 decision making by counselors, students, the unemployed, and others. The
10 committee shall facilitate the integration of occupational, labor market, and
11 educational training opportunities information into the program planning process.
12 The committee shall use this information for the enhancement of economic
13 development endeavors and the Kentucky Career Information System.
- 14 (3) The committee shall do all things necessary to comply with the Adult and Education
15 Act, 20 U.S.C. secs. 1201 et seq.; the Carl D. Perkins Vocational Education Act, 29
16 U.S.C. secs. 2301 et seq.; the Job Training Partnership Act, 29 U.S.C. secs. 1501 et
17 seq.; and other related public laws which mandate the establishment of state
18 occupational information coordinating committees, state occupational information
19 systems, and state career information systems, including the filing of required reports
20 and annual plans.
- 21 (4) The objectives of the committee shall include, but shall not be limited to, the
22 following:
- 23 (a) To coordinate, and evaluate information which will be used to develop a
24 comprehensive statewide policy relating to all job training, skills development,
25 and related education programs funded or administered by any agency of the
26 Commonwealth. This statewide policy shall be published and distributed by the
27 committee;

- 1 (b) To promote communication, cooperation, and coordination between producers
- 2 and users of data and information relating to education and training,
- 3 employment, and economic development;
- 4 (c) To work toward providing one (1) commonly-accepted data and information
- 5 base, based on standardized terminologies and estimating procedures, which
- 6 can be utilized by all related organizations in meeting the program planning and
- 7 counseling needs of users;
- 8 (d) To develop, implement, and operate an occupational information system for
- 9 use by planners and administrators of educational training programs and
- 10 economic development efforts;
- 11 (e) To develop, implement, and operate a Kentucky Career Information System
- 12 for use by counselors, students, the unemployed, and others in the career
- 13 decision making process;
- 14 (f) To provide information and training to user groups on new programs and
- 15 resources which are available for utilization in the enhancement of common
- 16 endeavors;
- 17 (g) To prepare, publish, and distribute, with or without charge as the committee
- 18 may determine, technical studies, reports, bulletins, and other materials as it
- 19 deems appropriate; and
- 20 (h) To collect, analyze, and disseminate to interested individuals, in cooperation
- 21 with and through any agencies of federal, state, and municipal government,
- 22 information concerning areas of present and projected employment needs,
- 23 programs of skills training and education consistent therewith, special
- 24 occupational licensure requirements, wage data by occupation, and any other
- 25 relevant information.
- 26 (5) The Kentucky Occupational Information Coordinating Committee (KOICC) shall be
- 27 composed of the following:

- 1 (a) The secretary of the Cabinet for Workforce Development, who shall serve as
- 2 chairman;
- 3 (b) The commissioner of the Department for Employment Services, Cabinet for
- 4 Workforce Development, who shall serve as vice chairman;
- 5 (c) The executive director of the Bluegrass State Skills Corporation;
- 6 (d) The executivedirector of the Governor's Council on Vocational Education;
- 7 (e) The commissioner of the Department of Vocational Rehabilitation;
- 8 (f) ~~{The commissioner of the Department for Technical Education;~~
- 9 ~~(g)}~~ The commissioner of the Department for Adult Education and Literacy;
- 10 ~~(g)}~~~~(h)}~~ The commissioner of the Department for the Blind;
- 11 ~~(h)}~~~~(i)}~~ The two (2) chancellors~~{chancellor}~~ of the~~{ University of }~~ Kentucky
- 12 Communityand TechnicalCollege System;
- 13 ~~(i)}~~~~(j)}~~ A representative from the Kentucky Council on Postsecondary~~{Higher}~~
- 14 Education;
- 15 ~~(j)}~~~~(k)}~~ A representative from the Kentucky Chamber of Commerce; and
- 16 ~~(k)}~~~~(4)}~~ Five (5) additional representatives from the private sector representing
- 17 employers, employees, and interested parties who shall be appointed by and
- 18 serve at the pleasure of the Governor.
- 19 (6) Committee members shall receive no compensation, with the exception of those
- 20 members serving by virtue of public office, but members shall be reimbursed for their
- 21 expenses in attending meetings and other authorized activities as provided by
- 22 regulation.
- 23 (7) The committee shall meet as often as necessary, but at least quarterly in the months
- 24 of January, April, July, and October, to effectuate its purposes. Meetings shall be
- 25 called by the chairman and notice of meetings shall be either in writing or other
- 26 acceptable means of communications. For the purpose of conducting business, a
- 27 majority of the committee shall constitute a quorum.

1 (8) The committee shall be attached to the Cabinet for Workforce Development.

2 (9) The committee may create subcommittees as needed to carry out the purposes of the
3 full committee.

4 Section 52. KRS 151B.410 is amended to read as follows:

5 (1) The Department for Adult Education and Literacy shall administer an adult
6 education learning system in regions of the state. The adult education learning
7 system shall include diverse educational services provided by credentialed
8 professionals, based on the learners' current needs and a commitment to life-long
9 learning.

10 (a) Services shall be provided at multiple sites appropriate for adult learning
11 including vocational and technical schools, ~~University of Kentucky~~
12 community colleges, regional universities, ~~and~~ adult education centers, ~~and~~
13 family resource centers, adult correctional facilities, and other institutions.

14 (b) Access and referral services shall be initiated at multiple points including
15 businesses, educational institutions, labor organizations, employment offices,
16 and government offices.

17 (c) Multiple funding sources, program support, and partnerships to administer the
18 adult education learning system may include: the Adult Education Act as
19 amended by the National Literacy Act; Kentucky Education Reform Act
20 funded family resource centers; Job Training Partnership Act; Kentucky
21 Bluegrass State Skills Corporation, Job Opportunities and Basic Skills
22 program; adult technical education; ~~University of Kentucky~~ community
23 college system; Parent and Child Education programs; student scholarship and
24 grants; fees for services rendered; and other general, agency, local, federal, and
25 private funds.

26 (2) Services included as part of the adult education learning system shall include, but not
27 be limited to:

- 1 (a) Functionally-contexted workplace essential skills training based on employers'
2 needs, leading to a competency-based certificate indicating proficiency in
3 critical thinking, computating, reading, writing, communicating, problem-
4 solving, team-building, and use of technology at various worksites regarding
5 basic skills;
 - 6 (b) Literacy and adult basic education which includes learning for those with
7 academic educational skills below the ninth grade level;
 - 8 (c) Adult secondary education that includes learning above the ninth grade level
9 including GED preparation and the external diploma program, that is a
10 competency-based assessment system which credentials mature adults who
11 have acquired high school level skills through life experiences;
 - 12 (d) Family literacy programs, that have a goal of intergenerational transfer of
13 cognitive skills, support of children's education, participation in Kentucky
14 Education Reform Act and breaking the poverty cycle, by offering basic skills
15 and competencies with parenting, life skills, and parent-child interactive
16 activities; and
 - 17 (e) English as a second language programs for adults who have limited English
18 proficiency.
- 19 (3) (a) The Department for Adult Education and Literacy within the Cabinet for
20 Workforce Development may establish regional adult education advisory
21 committees, representing adult education practitioners, state vocational
22 technical and ~~University of Kentucky~~ community college educators,
23 employment and career advisors, business and industry participants,
24 employees, students, and organized labor.
- 25 (b) The adult education advisory committees shall meet at least twice a year to:

- 1 1. Advise the Department for Adult Education and Literacy on the regional
- 2 training services and needs in the area of adult education and
- 3 functionally-contexted workplace essential skills;
- 4 2. Report the number and location of referral and access points that have
- 5 identified an adult population who is or could benefit from service and
- 6 has an active interest in participation;
- 7 3. Report the number and location of entrance points that have identified an
- 8 adult population who has been referred for service; and
- 9 4. Report the number of adults served and the number completing
- 10 programs, method of payment for services, outcomes of service
- 11 provision, and career and employment change following program
- 12 completion.
- 13 (4) In administering an adult education system, the Department for Adult Education and
- 14 Literacy shall:
- 15 (a) Establish regions for purpose of implementing an adult education learning
- 16 system assisting local programs;
- 17 (b) Make provision for quality job-specific and workplace essential skills
- 18 instruction for workers in business and industry, literacy and adult basic
- 19 education, adult secondary education, including GED preparation, the external
- 20 diploma program, English as a second language, and family literacy programs,
- 21 in cooperation with local business, labor, economic development, educational,
- 22 employment, and service support entities;
- 23 (c) Develop student assessments in coordination with other educational and
- 24 employment entities, allowing assessments to be shared when necessary with
- 25 appropriate personnel for accessing students, additional educational programs,
- 26 taking into consideration student confidentiality;

- (d) Establish professional credentials for instructors, and make provision for the development of those providers who have not attained the established credentials;
- (e) Develop criteria for certifying adult education providers;
- (f) Develop administrative regulations for consideration by the Cabinet for Workforce Development and the State Board for Adult and Technical Education, including those for business and industry service participation and mechanisms for service funding through all appropriate federal, state, local, and private resources;
- (g) Require and monitor compliance with Cabinet for Workforce Development administrative regulations and policies; and
- (h) Develop and implement performance measures and benchmarks.

Section 53. KRS 154.12-205 is amended to read as follows:

- (1) There is hereby created an independent, de jure corporation of the Commonwealth with all the general corporate powers incidental thereto which shall be known as the "Bluegrass State Skills Corporation." The corporation shall be a political subdivision of the state and shall be attached to the Cabinet for Economic Development.
- (2) The corporation is created and established to improve and promote the employment opportunities of the citizens of the Commonwealth by creating and expanding programs of skills training and education which meet the needs of business and industry.
- (3) The corporation shall be governed by a board of directors consisting of eighteen (18) members, including the following six (6) ex officio members: the commissioner of the Department of Employment Services, the secretary of the Cabinet for Economic Development, the secretary of the Labor Cabinet, the president~~chairman~~ of the Council on Postsecondary~~Higher~~ Education, the secretary of the Cabinet for Workforce Development and the president~~chancellor~~ of the ~~University of~~

1 Kentucky Community and Technical College System. The twelve (12) other
2 members shall be appointed by the Governor, including persons having knowledge
3 and experience in business and industry, skills training, education, and minority
4 employment; and at least one (1) of the twelve (12) members shall be appointed to
5 represent labor organizations. Each member appointed by the Governor shall serve
6 for a term of four (4) years, except that in making the initial appointments, the
7 Governor shall appoint three (3) members to serve for one (1) year, three (3)
8 members to serve for two (2) years, three (3) members to serve for three (3) years,
9 and three (3) members to serve for four (4) years. All succeeding appointments shall
10 be for a term of four (4) years.

11 (4) In the event of a vacancy, the Governor may appoint a replacement member who
12 shall hold office during the remainder of the term so vacated.

13 (5) Any member may be removed from his appointment by the Governor for cause.

14 (6) The Governor shall designate a member of the board as its chairman.

15 (7) Members of the board of directors of the corporation, except for ex officio members,
16 shall be entitled to compensation for their services in the amount of one hundred
17 dollars (\$100) for each regular or special called meeting of the corporation, and all
18 members shall be entitled to reimbursement for any actual and necessary expenses
19 incurred in the performance of their duties.

20 (8) The board of directors of the corporation shall annually elect a vice chairman, a
21 secretary, and a treasurer. The secretary shall keep a record of the proceedings of
22 the corporation and shall be custodian of all books, documents, and papers filed with
23 the corporation, and its official seal.

24 (9) The secretary of the Cabinet for Economic Development shall hire an executive
25 director and establish his salary. The executive director shall be the chief
26 administrative and operational officer of the corporation and shall direct and

1 supervise its administrative affairs and general management subject to the policies,
2 control, and direction of the board.

- 3 (10) All officers and employees of the corporation having access to its funding shall give
4 bond to the corporation, at its expense, in the amount and with the surety as the
5 board may prescribe.

6 Section 54. KRS 154.47-055 is amended to read as follows:

- 7 (1) Notwithstanding the provisions of KRS Chapter 151B,~~on or before January 1,~~
8 ~~1995,~~ the University of Kentucky, Eastern Kentucky University, Morehead State
9 University, and the Kentucky Community and Technical College System~~of the~~
10 ~~University of Kentucky, and the Kentucky Tech System~~ in conjunction with the
11 corporation shall develop an integrated program and curricula for workforce training
12 in the area of secondary wood products manufacturing, including nondegree and
13 degree courses of study. Neither the corporation nor the Cabinet for Economic
14 Development or any of its agencies or instrumentalities shall provide funding for
15 training, education or any other purpose, to any state agency or institution which
16 provides workforce training or education relating to wood products manufacturing,
17 unless the agency or institution complies with the integrated program and curricula
18 developed in accordance with this section.

- 19 (2) No state agency provider of workforce training shall reduce existing funding for
20 wood industry related training to offset funding received from the corporation under
21 the integrated training program.

- 22 (3) The integrated workforce training program and the curricula shall be designed in a
23 manner that shall provide post-secondary, nondegree and degree level students with
24 the contemporary skills needed for employment in the secondary wood industry.

25 Section 55. KRS 156.029 is amended to read as follows:

- 26 (1) There is hereby established a Kentucky Board of Education, which shall consist of
27 eleven (11) members appointed by the Governor and confirmed by the Senate and

- 1 the House of Representatives of the General Assembly, with the president~~executive~~
 2 ~~director~~ of the Council on Postsecondary~~Higher~~ Education serving as an ex
 3 officio nonvoting member. Seven (7) members shall represent each of the Supreme
 4 Court districts as established by KRS 21A.010, and four (4) members shall represent
 5 the state at large. Each of the appointed members shall serve for a four (4) year
 6 term, except the initial appointments shall be as follows: the seven (7) members
 7 representing Supreme Court districts shall serve a term which shall expire on April
 8 14, 1994; and the four (4) at-large members shall serve a term which shall expire on
 9 April 14, 1992. Subsequent appointments shall be submitted to the Senate and to the
 10 House of Representatives for confirmation in accordance with KRS 11.160. Each
 11 appointment by the Governor shall be agreed upon by both chambers in order for the
 12 person to be confirmed. Each confirmed appointee shall take office on April 15.
- 13 (2) Appointments shall be made without reference to occupation, political affiliation, or
 14 similar consideration. No member at the time of his appointment or during the term
 15 of his service shall be engaged as a professional educator. Pursuant to KRS 63.080,
 16 a member shall not be removed except for cause.
- 17 (3) A vacancy in the membership of the board shall be filled by the Governor for the
 18 unexpired term with the consent of the Senate and the House of Representatives. In
 19 the event that the General Assembly is not in session at the time of the appointment,
 20 the consent of the Senate and the House of Representatives shall be obtained during
 21 the time the General Assembly next convenes.
- 22 (4) At the first regular meeting of the board in each fiscal year, a chairperson shall be
 23 elected from its voting membership.
- 24 (5) The members shall be reimbursed for actual and necessary expenses incurred in the
 25 performance of their duties.
- 26 (6) The commissioner of education shall serve as the executive secretary to the board.

1 (7) The primary function of the board shall be to develop and adopt policies and
 2 administrative regulations, with the advice of the Local Superintendents Advisory
 3 Council, by which the Department of Education shall be governed in planning,
 4 coordinating, administering, supervising, operating, and evaluating the educational
 5 programs, services, and activities within the Department of Education which are
 6 within the jurisdiction of the board.

7 Section 56. KRS 156.666 is amended to read as follows:

8 (1) There is established the Council for Education Technology which shall be an
 9 advisory group attached to the Kentucky Board of Education. The council shall
 10 develop a master plan for education technology.

11 (2) The council shall consist of the Commissioner of the Department of Information
 12 Systems, the Secretary of the Education, Arts, and Humanities Cabinet, and the
 13 president~~[Executive Director]~~ of the Council on Postsecondary~~[Higher]~~ Education
 14 who shall serve as ex officio voting members and eight (8) voting members
 15 appointed by the Governor within thirty (30) days after April 3, 1992. The members
 16 shall be as follows:

- 17 (a) One (1) member of the Kentucky Board of Education;
- 18 (b) One (1) member of the House of Representatives;
- 19 (c) One (1) member of the Senate; and
- 20 (d) Five (5) citizens of the Commonwealth.

21 A majority of the membership present at any meeting shall constitute a quorum for
 22 the official conduct of business.

23 (3) Members shall be appointed for four (4) year terms and may be reappointed. The
 24 initial members of the board shall be appointed as follows: two (2) members shall be
 25 appointed for terms of two (2) years; two (2) members shall be appointed for terms
 26 of three (3) years; and four (4) members shall be appointed for terms of four (4)

1 years. Members shall receive no compensation but may be reimbursed for actual and
2 necessary expenses in accordance with state laws and regulations.

3 (4) Terms of members serving pursuant to KRS 156.665 shall terminate on April 3,
4 1992.

5 (5) Immediately upon receiving notice of the appointment of all members, the chief state
6 school officer shall call an organizational meeting. At this meeting the chief state
7 school officer shall preside as temporary chairman, and the council shall elect from
8 among the members a chairman and any other officers it deems necessary, and define
9 the duties of the officers.

10 (6) Meetings shall be held at least two (2) times per year at a time and place designated
11 by the chairman. The Department of Education shall provide staff support for the
12 council.

13 (7) The duties and responsibilities of the council shall include, but not be limited to, the
14 following:

15 (a) Developing a long-range master plan for the efficient and equitable use of
16 technology at all levels from primary school through higher education,
17 including vocational and adult education. The plan shall focus on the
18 technology requirements of classroom instruction, literacy laboratories, student
19 record management, financial and administrative management, distance
20 learning, and communications as they relate to the Commonwealth's outcome
21 goals for students as described in KRS 158.6451;

22 (b) Creating, overseeing, and monitoring a well-planned and efficient statewide
23 network of technology services designed to meet the educational and
24 informational needs of the schools;

25 (c) Working with private enterprise to encourage the development of technology
26 products specifically designed to answer Kentucky's educational needs;

- 1 (d) Encouraging an environment receptive to technological progress in education
- 2 throughout the Commonwealth;
- 3 (e) Recommending a policy governing the granting of right of ways for the laying
- 4 of fiber optic cable in a manner to insure that all of Kentucky's citizens are
- 5 served equitably, that the fiber optic system is available for educational
- 6 technology purposes, and that the private and public sectors are partners in the
- 7 venture; and
- 8 (f) Receiving, holding, investing, and administering all funds received by the
- 9 council for the purpose of carrying out its duties and responsibilities, as set out
- 10 in this section. These funds shall be spent with the aim of achieving equality of
- 11 education throughout the Commonwealth.

12 Section 57. KRS 156.671 is amended to read as follows:

13 The chief state school officer shall convene the Commissioner of the Department for
 14 Information Systems, one (1) representative of Kentucky Educational Television, one (1)
 15 representative of the Council on Postsecondary~~Higher~~ Education, and one (1)
 16 representative of the Department of Education to create a strategic plan for distance
 17 learning in the Commonwealth and submit it to the Legislative Research Commission by
 18 July 1, 1993. The plan shall set forth the Commonwealth's vision for developing a long-
 19 term and statewide distance learning strategy. It shall include, but not be limited to,
 20 definitions of the types of distance learning delivery systems, an evaluation process for
 21 determining and certifying the educational and cost effectiveness of each type of delivery
 22 system, comparisons of the various types of delivery systems, and recommendations for
 23 implementation.

24 Section 58. KRS 156.740 is amended to read as follows:

- 25 (1) The Interagency Commission on Educational and Job Training Coordination is
- 26 hereby created. Its membership shall be composed of the following individuals,
- 27 serving in an ex-officio capacity:

- 1 (a) The chairman of the Council on ~~Postsecondary~~~~Higher~~ Education;
- 2 (b) The president~~executive director~~ of the Council on ~~Postsecondary~~~~Higher~~
- 3 Education;
- 4 (c) The chairman of the Kentucky Board of Education;
- 5 (d) The commissioner of the Department of Education;
- 6 (e) The chairman of the State Board for Adult and Technical Education;
- 7 (f) The secretary of the Cabinet for Workforce Development~~and~~;
- 8 (g) The chairman of the Board for the Kentucky Higher Education Assistance
- 9 Authority; and
- 10 (h) The president of the Kentucky Community and Technical College System.

11 (2) Members shall serve by virtue of their office. The chairman of the commission shall
 12 be chosen annually by a simple majority vote of the members. A quorum for
 13 conducting business shall be one-half (1/2) of the members plus one (1). The chair
 14 shall rotate annually, so that no person or agency holds the chairmanship in
 15 successive years.

16 Section 59. KRS 156.760 is amended to read as follows:

- 17 (1) As used in KRS 156.760 to 156.766, "commission" means the Kentucky Community
- 18 Service Commission.
- 19 (2) The Kentucky Community Service Commission is created and shall be attached to
- 20 the Council on ~~Postsecondary~~~~Higher~~ Education for administrative purposes only.
- 21 Initial temporary staffing for the commission shall be provided jointly by existing
- 22 staff of the Council on ~~Postsecondary~~~~Higher~~ Education and the Department of
- 23 Education. A director and other appropriate staff shall be hired by the commission
- 24 when federal funds become available.

25 Section 60. KRS 158.646 is amended to read as follows:

- 26 (1) The Kentucky Institute fo Education Research Board is hereby created.

- 1 (2) The board shall establish a corporation which can qualify and obtain status under
 2 Section 501(c)(3) of the Internal Revenue Code. The purpose and mission of the
 3 corporation shall be to solicit and raise funds through private foundations, grants,
 4 and government agencies to support the independent evaluation of the Kentucky
 5 Education Reform Act and related activities. The corporation shall serve as a
 6 stimulus and clearinghouse for Kentucky Education Reform Act related research
 7 projects.
- 8 (3) (a) The board shall cause an in-depth evaluation of the impact of Kentucky
 9 Education Reform Act to be performed. This evaluation shall include, but not
 10 be limited to, the effect of the reforms on students, individual schools, school
 11 systems, and educators. The evaluation shall also include an analysis of the
 12 reliability and validity of the changes in scores between baseline scores and
 13 scores from subsequent administrations of tests.
- 14 (b) The board shall make recommendations to the citizens and elected leaders of
 15 the Commonwealth concerning the enhancement of the benefits of the
 16 Kentucky Education Reform Act and the expansion and improvement of
 17 services to students.
- 18 (c) The board shall establish an organizational capacity to:
- 19 1. Develop and manage implementation of a research design to include the
 20 issuing of requests for proposals; awarding of contracts; and general
 21 oversight and coordination of the quality and quantity of research;
 - 22 2. Conduct research in accordance with a comprehensive research design
 23 and establish priorities; and
 - 24 3. Design and implement a comprehensive educational data information
 25 system.
- 26 (d) The board shall prepare an annual report of its activities and the activities of
 27 the corporation and forward copies to the Governor, the Legislative Research

Commission, the Kentucky Board of Education, and the Council on Postsecondary~~Higher~~ Education and make copies available to the citizens of the Commonwealth.

(e) The board shall hire an executive officer and other necessary personnel to carry out its responsibilities.

(f) The board shall consist of ten (10) members who shall initially be appointed to two (2) year terms by the Governor. The board shall select from its membership a chairperson and establish bylaws, including bylaws governing board membership and length of terms. Upon expiration of the initial appointments and adoption of bylaws governing membership and length of terms by the board, the board shall be self-perpetuating, and the appointment and length of terms shall be made in accordance with the board's bylaws.

Vacancies which occur before the expiration of the initial appointments shall be filled by the Governor for the remaining term of the vacancy.

Section 61. KRS 158.799 is amended to read as follows:

The Kentucky Science and Technology Council, Inc., shall, in cooperation with the Department for Education and the Council on Postsecondary~~Higher~~ Education, develop and conduct a competition among Kentucky middle and high school students for the purpose of choosing a Kentuckian of national or international acclaim as a scientist, mathematician, or engineer for whom the programs developed under KRS 158.798 shall be named.

Section 62. KRS 160.730 is amended to read as follows:

(1) Parents or eligible students may challenge the content of a student record to ensure that the record or report is not inaccurate, misleading, or otherwise in violation of privacy or other rights of the student. The right to challenge shall also provide the opportunity for rebuttal to, and the correction, deletion, or expunction of, any inaccurate, misleading, or inappropriate information.

1 (2) A challenge to the record may take the form of an informal discussion among the
 2 parents, student, and school officials. Any agreement between these parties shall be
 3 reduced in writing, signed by all parties, and placed in the student's records. If no
 4 agreement can be reached, either party may request a formal hearing to the challenge
 5 which shall be conducted in accordance with procedures established by rules and
 6 regulations of the Department of Education and the Council on
 7 Postsecondary~~Higher~~ Education for educational institutions under their
 8 jurisdiction. The~~Such~~ rules and regulations shall provide that a formal hearing be
 9 conducted within a reasonable time after the request for a hearing; and an official of
 10 the educational institution who has no direct interest in the outcome of the challenge
 11 shall conduct the hearing and render a decision on the challenge within a reasonable
 12 time after the hearing. All parties to the challenge shall be afforded a full and fair
 13 opportunity to present evidence relevant to the issues raised. Furthermore, school
 14 officials shall take the necessary action to implement the decision.

15 Section 63. KRS 161.027 is amended to read as follows:

16 (1) The Education Professional Standards Board, pursuant to KRS 161.028, shall by
 17 administrative regulation establish requirements for a preparation program in
 18 institutions of higher education for all new applicants for principal certification and
 19 establish criteria for admission to the program.

20 (2) The Education Professional Standards Board and the Council on
 21 Postsecondary~~Higher~~ Education shall evaluate the preparation programs for
 22 principals and maintain only those institutional programs that can demonstrate both
 23 the quality and the capability to enroll adequate numbers of students to justify the
 24 resources necessary for maintenance of a quality program.

25 (3) The Education Professional Standards Board shall develop or select appropriate
 26 assessments for applicants seeking certification as principals, including:

- 1 (a) A generic assessment to assure an acceptable level of communication skills,
2 general knowledge, and professional education concepts related to, but not
3 limited to, instructional leadership, management, and supervisory skills; and
4 (b) A specialized assessment on the current instructional and administrative
5 practices in Kentucky public education.
- 6 (4) The Education Professional Standards Board shall establish the minimum score for
7 successful completion of assessments and shall establish a reasonable fee to be
8 charged applicants for the actual cost of administration of the assessments. The
9 Education Professional Standards Board shall provide for confidentiality of
10 assessment scores.
- 11 (5) The Education Professional Standards Board shall develop an internship program
12 which shall provide for the supervision, assistance, and assessment of beginning
13 principals and assistant principals. The internship shall not be required of applicants
14 who have completed, within a ten (10) year period prior to making application, at
15 least two (2) years of successful experience as a principal in a school situation. The
16 Education Professional Standards Board, by administrative regulation, shall establish
17 the internship program.
- 18 (6) The certification of principals shall require the successful completion of the
19 examinations required by subsection (3) of this section. A one (1) year certificate
20 may be given to a person who has:
- 21 (a) A comparable certificate from another state; or
22 (b) All other qualifications except the assessments and is selected as a principal in
23 a district where the superintendent certifies to the Education Professional
24 Standards Board that there is a limited number of applicants to meet the
25 requirements of the school council selecting a principal.
- 26 Upon successful completion of the assessments, a certificate shall be issued for an
27 additional four (4) years.

- 1 (7) Upon successful completion of the approved preparation program and the
 2 assessments, the chief state school officer shall issue to the applicant a statement of
 3 eligibility for internship valid for five (5) years. If the applicant does not participate
 4 in an internship program within the five (5) year period, the applicant shall
 5 reestablish eligibility by repeating and passing the assessments in effect at that time.
 6 Upon obtaining employment for an internship position as principal or assistant
 7 principal within the period of eligibility, the applicant shall be issued the appropriate
 8 one (1) year certificate for the position.
- 9 (8) All applicants for principal certification, after successfully completing the
 10 assessments, shall successfully complete the internship program described in
 11 subsection (5) of this section for certification as a principal. If the principal's
 12 internship performance is judged to be less than satisfactory pursuant to
 13 administrative regulations developed by the Education Professional Standards
 14 Board, the principal applicant shall be provided with an opportunity to repeat the
 15 internship one (1) time if the applicant is employed by a school district as a principal
 16 or assistant principal.
- 17 (9) Following successful completion of the internship program, the principal's certificate
 18 shall be extended for four (4) years. Renewal of the certificate shall require the
 19 completion of a continuing education requirement as prescribed by the Education
 20 Professional Standards Board.
- 21 Section 64. KRS 161.028 is amended to read as follows:
- 22 (1) Beginning July 15, 1990, there shall be an Education Professional Standards Board,
 23 with the authority and responsibility to:
- 24 (a) Establish standards and requirements for obtaining and maintaining a teaching
 25 certificate;

- 1 (b) Set standards for, approve, and evaluate college, university, and school district
2 programs for the preparation of teachers and other professional school
3 personnel;
- 4 (c) Issue, renew, suspend, and revoke teaching certificates;
- 5 (d) Develop specific guidelines to follow upon receipt of an allegation of sexual
6 misconduct by an employee certified by the Education Professional Standards
7 Board. The guidelines shall include investigation, inquiry, and hearing
8 procedures which ensure the process does not revictimize the alleged victim or
9 cause harm if an employee is falsely accused;
- 10 (e) Receive, along with investigators hired by the Education Professional
11 Standards Board, training on the dynamics of sexual misconduct of
12 professionals, including the nature of this abuse of authority, characteristics of
13 the offender, the impact on the victim, the possibility and the impact of false
14 accusations, investigative procedures in sex offense cases, and effective
15 intervention with victims and offenders;
- 16 (f) Maintain data and submit reports to the Governor and the Legislative Research
17 Commission concerning employment trends and performance of certificated
18 personnel and the quality of professional preparation programs. The board
19 shall study the problem of the declining pool of minority teachers in the
20 Commonwealth and submit recommendations for increasing the number of
21 minority teachers to the 1992 Regular Session of the General Assembly;
- 22 (g) Reduce and streamline the credential system to allow greater flexibility in
23 staffing local schools while maintaining standards for teacher competence;
- 24 (h) Develop a professional code of ethics;
- 25 (i) Select and evaluate the executive secretary to the board;
- 26 (j) Approve the biennial budget request; and

1 (k) Charge reasonable fees for the issuance, reissuance, and renewal of certificates
 2 that are established by administrative regulation. The proceeds shall be used to
 3 meet a portion of the costs of the issuance, reissuance, and renewal of
 4 certificates, and the costs associated with revoking certificates.

5 (2) (a) The board shall be composed of seventeen (17) members. The chief state
 6 school officer and the president~~[executive director]~~ of the Council on
 7 Postsecondary~~[Higher]~~ Education, or their designees, shall serve as ex officio
 8 voting members. The Governor shall make the following fifteen (15)
 9 appointments:

- 10 1. Nine (9) members who shall be teachers representative of elementary,
 11 middle or junior high, secondary, special education, and secondary
 12 vocational classrooms;
- 13 2. Two (2) members who shall be school administrators, one (1) of whom
 14 shall be a school principal;
- 15 3. One (1) member representative of local boards of education; and
- 16 4. Three (3) members representative of institutions of higher education, two
 17 (2) of whom shall be deans of colleges of education at state-supported
 18 universities and one (1) of whom shall be the chief academic officer of an
 19 independent not-for-profit college or university.

20 (b) For the initial appointments, the Governor shall designate four (4) members to
 21 serve a term of four (4) years; three (3) members to serve a term of three (3)
 22 years; three (3) members to serve a term of two (2) years; three (3) members
 23 to serve a term of one (1) year.

24 (c) A vacancy on the board shall be filled in the same manner as the original
 25 appointment within sixty (60) days after it occurs. A member shall continue to
 26 serve until his successor is named. Any member who, through change of
 27 employment status or residence, or for other reasons, no longer meets the

1 criteria for the position to which he was appointed shall no longer be eligible to
2 serve in that position.

3 (d) Members of the board shall serve without compensation, but shall be permitted
4 to attend board meetings and perform other board business without loss of
5 income or other benefits.

6 (e) A state agency or any political subdivision of the state, including a school
7 district, required to hire a substitute for a member of the board who is absent
8 from his employment while performing board business shall be reimbursed by
9 the board for the actual amount of any costs incurred.

10 (f) A chairman shall be elected by and from the membership. A member shall be
11 eligible to serve no more than three (3) one (1) year terms in succession as
12 chairman. The executive secretary appointed by the chief state school officer
13 from the Department of Education staff shall keep records of proceedings.
14 Regular meetings shall be held at least semiannually on call of the chairman.
15 The Department of Education shall provide staff and support for the board.

16 (g) To carry out the functions relating to its duties and responsibilities, the board is
17 empowered to receive donations and grants of funds; to appoint consultants as
18 needed; and to sponsor studies, conduct conferences, and publish information.

19 (3) No later than June, 1997, the board shall develop and submit to the Governor and
20 the Legislative Research Commission plans for the operation of the board after July
21 15, 1998, including separation of administrative attachment to the Department of
22 Education.

23 (4) The Education Professional Standards Board shall be the successor to the State
24 Board for Elementary and Secondary Education for purposes of performing the
25 duties authorized in KRS 161.027, 161.028, 161.030, 161.042, 161.044, 161.046,
26 161.048, 161.049, 161.100, 161.115, 161.120, 161.124, and 161.126. Rules,
27 administrative regulations, and procedures relating to these duties shall not lapse and

1 shall continue in effect until repealed or amended by the Education Professional
2 Standards Board.

3 Section 65. KRS 161.165 is amended to read as follows:

4 (1) The Education Professional Standards Board in cooperation with the Kentucky
5 Board of Education and the Council on Postsecondary~~[Higher]~~ Education shall
6 develop a coordinated, strategic plan for increasing the number of minority teachers
7 in the Commonwealth. The plan shall include, but not be limited to,
8 recommendations on ways to:

- 9 (a) Identify methods for increasing the percentage of minority educators in
10 proportion to the number of minority students;
- 11 (b) Establish programs to identify, recruit, and prepare as teachers minority
12 persons who have already earned college degrees in other job fields;
- 13 (c) Create awareness among secondary school guidance counselors of the need for
14 minority teachers.

15 (2) Upon completion of the plan, the Education Professional Standards Board shall
16 promulgate administrative regulations to establish pilot programs that increase the
17 percentage of minorities who enter and successfully complete a four (4) year teacher
18 preparation program and provide support to minority students in meeting qualifying
19 requirements for students entering a teacher preparation program at institutions of
20 higher education.

21 (3) The Education Professional Standards Board shall periodically submit a report to
22 the Interim Joint Committee on Education~~[no later than December 1, 1993,]~~ that
23 evaluates the results of these efforts and includes accompanying recommendations to
24 establish a continuing program for increasing the number of minorities in teacher
25 education.

26 Section 66. KRS 161.220 is amended to read as follows:

27 As used in KRS 161.230 to 161.716 and KRS 161.990:

- 1 (1) "Retirement system" means the arrangement provided for in KRS 161.230 to
2 161.716 and KRS 161.990 for payment of allowances to members;
- 3 (2) "Retirement allowance" means the amount annually payable during the course of his
4 natural life to a member who has been retired by reason of service;
- 5 (3) "Disability allowance" means the amount annually payable to a member retired by
6 reason of disability;
- 7 (4) "Member" means the chief state school officer, deputy commissioners, associate
8 commissioners, and all division directors in the State Department of Education, and
9 any regular or special teacher, or professional occupying a position requiring
10 certification or graduation from a four (4) year college or university, as a condition
11 of employment, and who is employed by public boards, institutions, or agencies as
12 follows:
 - 13 (a) Local boards of education;
 - 14 (b) Eastern Kentucky University, Kentucky State University, Morehead State
15 University, Murray State University, Western Kentucky University, and any
16 community~~[or junior]~~ colleges established under the control of these
17 universities, and the Kentucky Community and Technical College System
18 and any community colleges or technical institutions established under its
19 control;
 - 20 (c) State-operated secondary~~[State and]~~ area vocational education or area
21 technology centers~~[schools]~~, Kentucky School for the Blind, and Kentucky
22 School for the Deaf;
 - 23 (d) The State Department of Education, other public education agencies as created
24 by the General Assembly, and those members of the administrative staff of the
25 Teachers' Retirement System of the State of Kentucky whom the board of
26 trustees may designate by administrative regulation;

- 1 (e) Regional cooperative organizations formed by local boards of education or
- 2 other public educational institutions listed in this subsection, for the purpose of
- 3 providing educational services to the participating organizations;
- 4 (f) All full-time members of the staffs of the Kentucky Association of School
- 5 Administrators, Kentucky Education Association, Kentucky Vocational
- 6 Association, Kentucky High School Athletic Association, Kentucky Academic
- 7 Association, and the Kentucky School Boards Association who were members
- 8 of the Kentucky Teachers' Retirement System or were qualified for a position
- 9 covered by the system at the time of employment by the association in the
- 10 event that the board of directors of the respective association petitions to be
- 11 included. The board of trustees of the Kentucky Teachers' Retirement System
- 12 may designate by resolution whether part-time employees of the petitioning
- 13 association are to be included. The state shall make no contributions on
- 14 account of these employees, either full-time or part-time. The association shall
- 15 make the employer's contributions, including any contribution that is specified
- 16 under KRS 161.550. The provisions of this paragraph shall be applicable to
- 17 persons in the employ of the associations on or subsequent to July 1, 1972;
- 18 (g) The Department for Adult Education and Literacy;
- 19 (h) The Department for Technical Education;
- 20 (i) The Office of General Counsel within the Office of the Secretary of the
- 21 Cabinet for Workforce Development;
- 22 (j) The Office for Policy, Budget, and Personnel within the Office of the Secretary
- 23 of the Cabinet for Workforce Development;
- 24 (k) The Office for Administrative Services within the Office of the Secretary of the
- 25 Cabinet for Workforce Development;
- 26 (l) The Department of Vocational Rehabilitation;
- 27 (m) The Kentucky Educational Collaborative for State Agency Children;

- 1 (n) The Governor's Scholars Program; and
- 2 (o) Any person who is retired for service from the retirement system and is
- 3 reemployed by an employer identified in this subsection in a position that the
- 4 board of trustees deems to be a member.
- 5 (5) "Present teacher" means any teacher who was a teacher on or before July 1, 1940,
- 6 and became a member of the retirement system created by 1938 (1st Extra. Sess.)
- 7 Ky. Acts ch. 1, on the date of the inauguration of the system or within one (1) year
- 8 after that date, and any teacher who was a member of a local teacher retirement
- 9 system in the public elementary or secondary schools of the state on or before July 1,
- 10 1940, and continued to be a member of the system until he, with the membership of
- 11 the local retirement system, became a member of the state Teachers' Retirement
- 12 System or who becomes a member under the provisions of KRS 161.470(4);
- 13 (6) "New teacher" means any member not a present teacher;
- 14 (7) "Prior service" means the number of years during which the member was a teacher in
- 15 Kentucky prior to July 1, 1941, except that not more than thirty (30) years' prior
- 16 service shall be allowed or credited to any teacher;
- 17 (8) "Subsequent service" means the number of years during which the teacher is a
- 18 member of the Teachers' Retirement System after July 1, 1941;
- 19 (9) "Final average salary" means the average of the five (5) highest annual salaries which
- 20 the member has received for service in a covered position and on which the member
- 21 has made contributions, or on which the public board, institution, or agency has
- 22 picked-up employee contributions pursuant to KRS 161.540(2), or the average of
- 23 the five (5) years of highest salaries as defined in KRS 61.680(2)(a), which shall
- 24 include picked-up employee contributions. However, if any of the five (5) highest
- 25 annual salaries used to calculate the final average salary was paid within the three (3)
- 26 years immediately prior to the date of the member's retirement, the amount of salary

1 to be included for each of those three (3) years for the purpose of calculating the
2 final average salary shall be limited to the lesser of:

- 3 (a) The member's actual salary; or
- 4 (b) The member's annual salary that was used for retirement purposes during each
5 of the prior three (3) years, plus a percentage increase equal to the percentage
6 increase received by all other members employed by the public board,
7 institution, or agency, or for employees of school districts, the highest
8 percentage increase received by members on any one (1) rank and step of the
9 salary schedule of the school district. The increase shall be computed on the
10 salary that was used for retirement purposes.

11 This limitation shall not apply if the member receives an increase in salary in a
12 percentage exceeding that received by the other members, and this increase was
13 accompanied by a corresponding change in position or in length of employment. This
14 limitation shall also not apply to the payment to a member for accrued annual leave
15 or accrued sick leave which is authorized by statute and which shall be included as
16 part of a retiring member's annual compensation for the member's last year of active
17 service;

- 18 (10) "Annual compensation" means the total salary received by a member as
19 compensation for all services performed in employment covered by the retirement
20 system during a fiscal year. Annual compensation shall not include payment for any
21 benefit or salary adjustments made by the public board, institution, or agency to the
22 member or on behalf of the member which is not available as a benefit or salary
23 adjustment to other members employed by that public board, institution, or agency.
24 The board of trustees shall determine if any benefit or salary adjustment qualifies as
25 annual compensation;

- 1 (11) "Age of member" means the age attained on the first day of the month immediately
2 following the birthdate of the member. This definition is limited to retirement
3 eligibility and does not apply to tenure of members;
- 4 (12) "Age of entrance" means the age attained at the last birthday of any member at the
5 time of the establishment of the retirement system, if the member was a member
6 subject to membership in the system at that time. Otherwise it means the age attained
7 as of July 1 of the fiscal year in which he first becomes a member of the retirement
8 system. Any birthday occurring on February 29 shall be considered as occurring on
9 February 28;
- 10 (13) "Regular interest" means interest at three percent (3%) per annum;
- 11 (14) "Accumulated contributions" means the contributions of a member to the teachers'
12 savings fund, including picked-up employee contributions as described in KRS
13 161.540(2), plus accrued regular interest;
- 14 (15) "Annuitant" means a person who receives a retirement allowance or a disability
15 allowance;
- 16 (16) "Local retirement system" means any teacher retirement or annuity system created in
17 any public school district in Kentucky in accordance with the laws of Kentucky;
- 18 (17) "Fiscal year" means the twelve (12) month period from July 1 to June 30;
- 19 (18) "Public schools" means the schools and other institutions mentioned in subsection
20 (4) of this section;
- 21 (19) "Dependent" as used in KRS 161.520 and 161.525 means a person who was
22 receiving, at the time of death of the member, at least one-half (1/2) of the support
23 from the member for maintenance, including board, lodging, medical care, and
24 related costs;
- 25 (20) "Active contributing member" means a member currently making contributions to
26 the Teachers' Retirement System, who made contributions in the next preceding

1 fiscal year, for whom picked-up employee contributions are currently being made, or
 2 for whom these contributions were made in the next preceding fiscal year; and
 3 (21) "Regular teacher, supervisor, or administrator," when used to determine eligibility
 4 for membership in the retirement system, means a professional employee holding a
 5 position which requires services on a continuing basis equal to at least seven-tenths
 6 (7/10) of normal full-time service on a daily or weekly basis.

7 Section 67. KRS 161.567 is amended to read as follows:

8 (1) An optional retirement plan is hereby authorized for designated employees of public
 9 postsecondary education institutions~~[of higher education]~~ who are also eligible for
 10 membership in the Kentucky Teachers' Retirement System under~~[pursuant to]~~ KRS
 11 161.220(4)(b) and 161.470(1). The purpose of the optional retirement plan shall be
 12 to provide suitable retirement and death benefits, while affording the maximum
 13 portability of these benefits to the eligible employees as an alternative to membership
 14 in the retirement system. Benefits shall be provided by the purchase of annuity
 15 contracts, fixed or variable in nature, or a combination thereof, at the option of the
 16 participant. The specific provisions of annuity contracts with respect to the benefits
 17 payable to members and their beneficiaries shall prevail over specific provisions
 18 relating to the same subjects found in KRS 161.220 to 161.716, other than this
 19 section.

20 (2) The boards of regents of those institutions identified in KRS 161.220(4)(b) shall
 21 select no less than two (2) but no more than three (3) companies from which to
 22 purchase contracts under the optional retirement plan. As criteria for this selection,
 23 the boards of regents shall consider, among other things, the following:

24 (a) The portability of the contracts offered or to be offered by a company, based
 25 on the number of states in which the company provides contracts under similar
 26 plans;

- 1 (b) The efficacy of the contracts in the recruitment and retention of employees for
2 the various state public postsecondary education institutions~~[of higher~~
3 ~~education]~~;
- 4 (c) The nature and extent of the rights and benefits to be provided by the contracts
5 for participating employees and their beneficiaries;
- 6 (d) The relation of the rights and benefits to the amount of contributions required;
- 7 (e) The suitability of the rights and benefits to the needs and interests of eligible
8 employees and the various state public postsecondary education institutions~~[~~
9 ~~of higher education]~~ and
- 10 (f) The ability of the designated companies to provide the rights and benefits
11 under those contracts.

12 Section 68. KRS 161.568 is amended to read as follows:

- 13 (1) Eligibility to participate in the optional retirement plan shall be determined by the
14 board of regents of each of the state public postsecondary education institutions~~[of~~
15 ~~higher education]~~ identified in KRS 161.220(4)(b). The employees of these
16 institutions of higher education who are initially employed on or after the
17 implementation date of the optional retirement plan may make an irrevocable
18 election to participate in the optional retirement plan within thirty (30) days after
19 their employment date. No member of the Kentucky Teachers' Retirement System
20 who terminates employment and is subsequently reemployed by the same or another
21 public postsecondary education institution~~[of higher education]~~ which participates
22 in the Kentucky Teachers' Retirement System may be eligible to elect to participate
23 in the optional retirement plan unless the date of reemployment is at least six (6)
24 months after the date of termination. These elections shall be made in writing and
25 filed with the appropriate officer of the employer institution.
- 26 (2) Elections of eligible employees hired on or after the implementation date of the
27 optional retirement plan at their employer institution shall be effective on the date of

1 their employment. If an eligible employee hired subsequent to the implementation
 2 date at the employer institution fails to make the election provided for in this section,
 3 he shall become a member of the regular retirement plan of the Kentucky Teachers'
 4 Retirement System.

5 Section 69. KRS 164.005 is amended to read as follows:

6 (1) There is established the Governor's Postsecondary~~[Higher]~~ Education Nominating
 7 Committee which shall consist of seven (7) members representing each of the
 8 Supreme Court districts who shall be appointed by the Governor with the consent of
 9 the House of Representatives and the Senate. If the General Assembly is not in
 10 session at the time of appointment, the consent of the General Assembly shall be
 11 obtained during the time the General Assembly next convenes.

12 (2) (a) In order to be eligible to serve on the Governor's Postsecondary~~[Higher]~~
 13 Education Nominating Committee, a member at the time of appointment shall
 14 have no conflict of interest pursuant to KRS 45A.340. In addition, no member
 15 shall have a relative employed by a public postsecondary institution~~[of higher~~
 16 ~~education]~~, the Council on Postsecondary~~[Higher]~~ Education, the Kentucky
 17 Higher Education Assistance Authority, the Kentucky Higher Education
 18 Student Loan Corporation, or the Kentucky Authority for Educational
 19 Television during his tenure on the committee. No more than two (2) persons
 20 holding an undergraduate degree from the same institution of higher education
 21 shall be members of the committee.

22 (b) The Governor shall make the appointments so as to reflect no less than
 23 proportional representation of the minority racial composition of the
 24 Commonwealth.

25 (c) In selecting the members of the committee, the Governor shall solicit
 26 recommendations from each of the following:

27 1. Advisory Conference of Presidents;

- 1 2. Council on Postsecondary~~Higher~~ Education Student Advisory
- 2 Committee;
- 3 3. Associations representing faculty from universities and community
- 4 colleges;
- 5 4. Associations representing university and community college alumni;
- 6 5. Higher education advocacy groups;
- 7 6. The Kentucky Board of Education; and
- 8 7. Associations representing business and civic interests.
- 9 (3) (a) Members of the committee representing Supreme Court districts shall serve six
- 10 (6) year terms and until a successor is appointed, except the initial
- 11 appointments shall be as follows:
- 12 1. Two (2) members shall serve a two (2) year term;
- 13 2. Two (2) members shall serve a four (4) year term; and
- 14 3. Three (3) members shall serve a six (6) year term.
- 15 (b) The terms of the original appointees shall expire on April 14 in the year
- 16 designated for the term, and the terms of each member appointed thereafter
- 17 shall begin on April 15. Appointments shall be submitted to the Senate and to
- 18 the House of Representatives for confirmation by February 1 in each year that
- 19 a regular session of the General Assembly convenes. Each appointment shall be
- 20 consented to by both chambers in order for the person to be confirmed. At the
- 21 first regular meeting of the committee each fiscal year, a chairperson shall be
- 22 selected by the membership.
- 23 (4) The members of the committee may be reimbursed for actual and necessary
- 24 expenditures incurred in the performance of their duties. The expenses of the
- 25 committee shall be paid out of the appropriation for the Governor's office.
- 26 (5) (a) The committee shall be responsible for submitting three (3) nominations from
- 27 which the Governor shall select each gubernatorial appointment to a university

governing board made pursuant to KRS 164.131, 164.321, and 164.821 and to the Council on Postsecondary~~Higher~~ Education pursuant to KRS 164.011, except for the four (4) members of the Kentucky Community and Technical College System who shall be nominated by the board of trustees of the University of Kentucky under Section 95 of this Act~~student member~~. The committee shall not make recommendations for alumni, faculty, and staff appointments made pursuant to KRS 164.131 and 164.821 and the student appointments made pursuant to KRS 164.131, 164.321, and 164.821. If more than one (1) equivalent gubernatorial appointment is being made to a governing board or the Council on Postsecondary~~Higher~~ Education at the same time, the committee shall submit a number of nominees equal to three (3) times the number of vacancies. The Governor shall select the appointees from among the nominees.

(b) The committee shall be responsible for submitting three (3) nominations from which the Governor shall select each gubernatorial appointment to the Kentucky Authority for Educational Television made pursuant to KRS 168.040, the Kentucky Higher Education Assistance Authority pursuant to KRS 164.746, and the Kentucky Higher Education Student Loan Corporation pursuant to KRS 164A.050. If more than one (1) appointment is being made at the same time, the committee shall submit a number of nominees equal to three (3) times the number of vacancies. The Governor shall select the appointees from among the nominees.

(c) Nominations shall be made thirty (30) days prior to the expiration of a term or as soon as practicable following an unforeseen vacancy. The Governor shall make the appointment within sixty (60) days following receipt of the nominations. If the Governor does not make the appointment within sixty (60) days, the committee shall select one (1) of the nominees to serve.

1 (6) In making its nominations, the committee shall consider the needs of the respective
 2 institutions, locate potential appointees, review candidates' qualifications and
 3 references, conduct interviews, and carry out other search and screening activities as
 4 necessary.

5 (7) The Governor's office staff shall provide support services for the committee.

6 Section 70. KRS 164.0053 is amended to read as follows:

7 (1) No appointing authority shall appoint himself or his spouse, or the Governor or his
 8 spouse, to a ~~university~~ governing board **of a postsecondary institution** created
 9 pursuant to KRS 164.131, 164.321, or 164.821, or to the Council on
 10 **Postsecondary**~~Higher~~ Education created pursuant to KRS 164.011.

11 (2) No full-time employee of a public institution of **postsecondary**~~higher~~ education
 12 shall be eligible to serve on the Council on **Postsecondary**~~Higher~~ Education or on
 13 the governing board of another institution of **postsecondary**~~higher~~ education,
 14 except the community **and technical** college faculty **and nonteaching**
 15 **personnel**~~representative~~ serving on the **board of regents for the Kentucky**
 16 **Community and Technical College System**~~University of Kentucky Board of~~
 17 ~~Trustees~~.

18 (3) **No postsecondary institution shall award an honorary degree to a sitting**
 19 **governor.**

20 **(4)** All~~university~~ governing board members created pursuant to KRS 164.131,
 21 164.321, and 164.821 and the members of the Council on **Postsecondary**~~Higher~~
 22 Education shall have no conflict of interest pursuant to KRS 45A.340, except for
 23 compensation paid to faculty, staff, or student members.

24 Section 71. KRS 164.011 is amended to read as follows:

25 (1) There **is hereby created and established**~~shall be~~ a Council on
 26 **Postsecondary**~~Higher~~ Education in Kentucky **as an agency, instrumentality, and**
 27 **political subdivision of the Commonwealth and a public body corporate and**

1 politic having all powers, duties, and responsibilities as are provided to it by law,
2 appointed for a term set by law pursuant to Section 23 of the Constitution of
3 Kentucky. The council shall be composed of thirteen (13) voting~~[the chief state~~
4 ~~school officer, and seventeen (17) lay]~~ members appointed by the Governor with the
5 consent of the Senate and the House of Representatives under KRS 11.160, and
6 the commissioner of education, who shall serve as a nonvoting ex officio
7 member. Appointive council members shall be selected from a list of nominees
8 provided to the Governor under the nominating process set forth in Section 69 of
9 this Act. If the General Assembly is not in session at the time of the appointment,
10 persons appointed shall serve prior to confirmation, but the Governor shall seek
11 the consent of the General Assembly at the next regular session or at an
12 intervening extraordinary session if the matter is included in the call of the
13 General Assembly~~[: one (1) from each Supreme Court district, ten (10) at large~~
14 ~~members which shall include a student member]~~

15 (2) By no later than thirty (30) days after the effective date of this Act, the
16 Governor's Postsecondary Education Nominating Committee shall submit
17 nominations to the Governor as set forth in Section 69 of this Act. On making
18 appointments to the council, the Governor shall assure broad geographical
19 representation and assure no less than proportional representation of the political
20 and minority racial composition of the Commonwealth. No more than two (2)
21 members of the council shall hold an undergraduate degree from any one (1)
22 Kentucky university, and no more than two (2) members of the council shall
23 reside in any one (1) judicial district of the Kentucky Supreme Court as of the
24 date of the appointment. However, change in residency after the date of
25 appointment shall not affect the ability to serve~~[The student member shall be~~
26 ~~enrolled as a full-time student at a state public institution of higher education and~~
27 ~~shall be selected annually in the following manner: not later than June 1 of each year~~

the eight (8) student body presidents of the four (4) year state public institutions of higher education and one (1) representative of the community college student body presidents elected from among themselves, shall elect by majority vote of the nine (9) presidents three (3) nominees to submit to the Governor. From this list of nominees, the Governor shall appoint a student member]

- (3) **In filling any vacancies, the Governor shall ensure the continuing representation upon the council of the broad constituencies as set forth in subsection (2) of this section. Vacancies on the council shall be filled for the unexpired term in accordance with the procedures established for the original appointments**[Among

the lay members, there shall be at least one (1) undergraduate degree recipient from each of the state universities to be appointed by the Governor, and at least one (1) undergraduate degree recipient from an independent, nonprofit college or university licensed by the council to be appointed by the Governor, one (1) of whom may reside outside the Commonwealth. The gubernatorial appointments shall reflect no less than proportional representation of the minority racial composition of the Commonwealth. The lay members shall constitute the voting membership of the council]

- (4) **Each appointive member shall serve a term**[After the initial appointments, the lay members shall be appointed for regular terms] of six (6) years, except[for the student member who shall serve a one (1) year term.] the initial appointments shall be as follows:

- (a) **Three (3) appointments shall expire December 31, 1997**[Two (2) members shall serve one (1) year terms, one (1) of which shall be the student member]
- (b) **Two (2) appointments shall expire December 31, 1998**[Three (3) members shall serve two (2) year terms]
- (c) **Two (2) appointments shall expire December 31, 1999**[Three (3) members shall serve three (3) year terms]

- 1 (d) Two (2) appointments shall expire December 31, 2000~~[Three (3) members~~
 2 ~~shall serve four (4) year terms]~~
- 3 (e) Two (2) appointments shall expire December 31, 2000~~[Three (3) members~~
 4 ~~shall serve five (5) year terms]~~and
- 5 (f) Two (2) appointments shall expire December 31, 2002~~[Three (3) members~~
 6 ~~shall serve six (6) year terms]~~
- 7 (5) Any person, other than the chief state school officer, holding either an elective or
 8 appointive state office or who is a member of the governing board of any state
 9 university in Kentucky, shall be ineligible for membership or appointment on the
 10 council during his term.
- 11 (6) The Governor shall appoint the chair and the vice chair of the council from
 12 among the council's membership, and the chair and vice chair shall serve at the
 13 pleasure of the Governor. The vice chair shall serve as chair in the absence of the
 14 chair~~[When the council meets to consider curricula for teacher education, three (3)~~
 15 ~~persons who are from accredited institutions of higher learning, and who have been~~
 16 ~~appointed by the executive committee of the Kentucky Association of Colleges,~~
 17 ~~Secondary and Elementary Schools, shall be invited to meet with the council in an~~
 18 ~~advisory capacity.]~~
- 19 (7) The council shall meet at least quarterly and at other times upon the call of the
 20 chair or a majority of the council.
- 21 (8) A quorum shall be a majority of the appointive membership of the council.
- 22 (9) A quorum shall be required to organize and conduct the business of the council,
 23 except that an affirmative vote of seven (7) or more appointive members of the
 24 entire council shall be required to dismiss from employment the president of the
 25 council, and to adopt or amend the state strategic postsecondary education
 26 agenda.
- 27 (10) Members shall not serve more than two (2) consecutive terms.

1 Section 72. KRS 164.020 is amended to read as follows:

2 The Council on Postsecondary~~[Higher]~~ Education in Kentucky shall:

- 3 (1) Develop and implement the state strategic postsecondary education agenda with
4 the advice and counsel of the Strategic Committee on Postsecondary Education.
5 The council shall provide for and direct the planning process and subsequent
6 implementation plans based on the state strategic postsecondary education
7 agenda as provided in Section 6 of this Act;
- 8 (2) Revise the strategic agenda and implementation plan with the advice and counsel
9 of the committee as set forth in Section 4 of this Act;
- 10 (3) Develop a system of public accountability related to the strategic agenda by
11 evaluating the performance and effectiveness of the state's postsecondary system.
12 The council shall prepare a report in conjunction with the accountability
13 reporting described in Section 82 of this Act, which shall be submitted to the
14 committee, the Governor, and the General Assembly by December 1 annually.
15 This report shall include a description of contributions by postsecondary
16 institutions to the quality of elementary and secondary education in the
17 Commonwealth;
- 18 (4) Review, revise, and approve the missions of the state's universities and the
19 Kentucky Community and Technical College System;
- 20 (5) Establish and ensure that all postsecondary institutions in Kentucky cooperatively
21 provide for an integrated system of postsecondary education. The council shall
22 guard against inappropriate and unnecessary conflict and duplication by
23 promoting transferability of credits and easy access of information among
24 institutions;
- 25 (6) Engage in analyses and research to determine the overall needs of
26 postsecondary~~[higher]~~ education in the Commonwealth~~[.]~~

1 ~~(7)(2)~~ Develop *plans that may be required by federal legislation*~~[and transmit to the~~
 2 ~~Governor comprehensive plans for public higher education which meet the needs of~~
 3 ~~the Commonwealth. The plans so developed shall conform to the respective~~
 4 ~~functions and duties of the state universities, the community colleges, and the~~
 5 ~~University of Kentucky, as provided by statute].~~ The council shall for all purposes of
 6 federal legislation relating to planning be considered the "single state agency" as that
 7 term may be used in federal legislation. When federal legislation requires additional
 8 representation on any "single state agency," the Council on *Postsecondary*~~[Higher]~~
 9 Education shall establish advisory groups necessary to satisfy federal legislative or
 10 regulatory guidelines~~[-]~~.

11 ~~(8)(3)~~ Determine tuition and approve the minimum qualifications for admission to the
 12 *state postsecondary educational system*~~[public institutions of higher education].~~ In
 13 determining the tuition for non-Kentucky residents, the council shall consider the
 14 fees required of Kentucky students by institutions in adjoining states, the resident
 15 fees charged by other states, the total actual per student cost of training in the
 16 institutions for which the fees are being determined, and the ratios of Kentucky
 17 students to non-Kentucky students comprising the enrollments of the respective
 18 institutions, and other factors the council may in its sole discretion deem pertinent.

19 *(9) Devise, establish, and periodically review and revise policies to be used in making*
 20 *recommendations to the Governor for consideration in developing*
 21 *recommendations to the General Assembly for appropriations to the universities*
 22 *and the Kentucky Community and Technical College System. The council has*
 23 *sole discretion, with advice of the Strategic Committee on Postsecondary*
 24 *Education and the executive officers of the postsecondary education system, to*
 25 *devise policies that provide for allocation of funds among the universities and the*
 26 *Kentucky Community and Technical College System;*

(10) Lead and provide staff support for the biennial budget process as provided under KRS Chapter 48, in cooperation with the committee;

~~{(4) Consider the requirements and review the budget requests, which shall be prepared in the manner and submitted by the institutions to the council by dates prescribed by the council, of the institutions of public higher education as to their appropriate level of support considering the functions of the institutions and their respective needs. The council, in cooperation with the university presidents, shall devise, establish, and periodically review and revise formulas for use in making recommendations to provide to the Governor and the Legislature for use in making appropriations for the institutions of higher learning. The formulas shall provide for adequate and equitable allocation of funds among the several universities considering their respective needs and statutory, institutional, and geographic missions. In the development, revision, and refinement of formulas, committees composed of members of the council staff and a representative of each of the state universities shall conduct hearings on each campus in a manner to give all principal segments of each institution the opportunity to participate in the development of the formulas. The studies shall include, but not be limited to:~~

~~(a) A review of formulas used by other states to calculate needs and appropriate funds for institutions of higher education;~~

~~(b) A complete review of selected comparable institutions with reference to both the state appropriations and tuition charges; and~~

~~(c) A review of institutional activities and programs that can be calculated for use in the development of the formulas.~~

~~— There shall be included in the final report the institutional responses to the studies and their recommendations and the recommendations of the advisory conference of presidents. Nothing in this chapter shall prevent or prohibit the Governor, the Legislature, the Council on Higher Education, or the governing board of any~~

1 institution of higher education from requesting or recommending deviations from
 2 any applicable formula or formulas prescribed by the Council on Higher Education
 3 and advancing reasons and arguments in support of them. The individual institutions'
 4 budget requests, including tuition and registration fee schedules for all categories of
 5 students, along with council recommendations shall be submitted to the Governor
 6 through the Finance and Administration Cabinet not later than November 15 of each
 7 odd-numbered year. The council shall submit a separate budgetary recommendation
 8 for the University of Kentucky community college system.]

9 ~~(11)~~~~(5)~~ Review and approve all capital construction projects **including real property**
 10 **acquisitions covered by KRS 45.750(1)(f) regardless of the source of funding for**
 11 **projects or acquisitions**~~[the cost of which exceeds four hundred thousand dollars~~
 12 ~~(\$400,000) approved by the governing boards of the state-supported institutions of~~
 13 ~~higher education prior to the institutions' submission of the projects to the Finance~~
 14 ~~and Administration Cabinet or the State Property and Buildings Commission].~~
 15 **Approval of capital projects and real property acquisitions shall be on a basis**
 16 **consistent with the strategic agenda and the mission of the respective universities**
 17 **and the Kentucky Community and Technical College System;**

18 ~~(12)~~~~(6)~~ Require reports from the executive officer of each institution it deems
 19 necessary for the effectual performance of its duties

20 ~~(7) — Publish annually a report of the educational and financial affairs of the institutions~~
 21 ~~and disseminate other information relating to higher education.]~~

22 ~~(13)~~~~(8)~~ Develop a university track program within the ~~University of~~ Kentucky
 23 Community **and Technical** College System consisting of sixty (60) hours of
 24 instruction that can be transferred and applied toward the requirements for a
 25 bachelor's degree at the public universities. The track shall consist of general
 26 education courses and pre-major courses as prescribed by the council. Courses in the
 27 university track program shall transfer and apply toward the requirements for

graduation with a bachelor's degree at all public universities. Successful completion of the university track program shall meet the academic requirement for transfer to a public university as a junior. By fall semester of 1997, requirements for track programs shall be established for all majors and baccalaureate degree programs.

~~(14)~~⁽⁹⁾ Define and approve the offering of all postsecondary~~[higher]~~ education technical, associate, baccalaureate, graduate, and professional degree, ~~[or]~~ certificate, or diploma programs in the state-supported postsecondary~~[higher]~~ education institutions. The council shall expedite wherever possible the approval of requests from the Kentucky Community and Technical College System board of regents relating to new certificate, diploma, technical, or associate degree programs of a vocational-technical and occupational nature.

(15) Eliminate, in its discretion, existing programs or make any changes in existing academic programs at the state's postsecondary educational institutions, taking into consideration these criteria:

(a) Consistency with the institution's approved mission and the state's strategic postsecondary education agenda implementation plan;

(b) Alignment with the priorities in the state strategic postsecondary education agenda;

(c) Elimination of unnecessary duplication of programs within and among institutions; and

(d) Efforts to create cooperative programs with other institutions through traditional means, or by use of distance learning technology and electronic resources, to achieve effective and efficient program delivery

(16) Identify academic programs offered at institutions to which the criteria for a standardized degree program shall be applied.

(a) If the council determines that a particular degree program offered by any state postsecondary institution shall be a standardized degree program, then

the council shall direct each institution offering the degree program to collaborate under the direction of the council and establish the courses and the course content required for that degree program.

(b) If the various institutions cannot agree upon the courses required or the content of the courses, then the council shall make these determinations.

(c) All courses approved for a standardized degree shall be transferable among all institutions granting that degree;

(17) Review proposals and make recommendations to the Governor regarding the establishment of new state-supported community colleges, technical institutions, and new four (4) year colleges~~;~~

(18) ~~[The Council on Higher Education shall]~~ Postpone the approval of any new program at a state postsecondary educational institution~~[of higher learning]~~, unless the institution has met its equal educational opportunity goals, as established by the council. In accordance with administrative regulations promulgated by the council, those institutions not meeting the goals shall be able to obtain a temporary waiver, if the institution has made substantial progress toward meeting its equal educational opportunity goals~~;~~

(19) Ensure the coordination and transferability of technology among postsecondary institutions in the Commonwealth including the development and implementation of a plan as a component of the strategic agenda for the coordination and transferability of technology;~~[Provided, nothing in this section,~~

~~KRS 164.011, 164.125, and 164.290 to 164.295 shall be construed to grant the Council on Higher Education authority to disestablish or eliminate any college of law which became a part of the state system of higher education through merger with a state college.]~~

(20)~~(10)~~ Approve the teacher education programs in the public institutions~~;~~

(11) ~~Elect a chairperson annually from the voting membership and appoint an executive director and staff needed and fix their compensation without limitation of the provisions of KRS Chapter 18A and KRS 64.640, subject to the approval of the commissioner of personnel and the secretary of the Finance and Administration Cabinet. No relative of a Council on Higher Education member shall be employed by the agency.]~~

(21)~~[(12)]~~ ~~Constitute the representative agency of the Commonwealth in all matters of~~
~~postsecondary~~~~[higher]~~ education of a general and statewide nature which are not
 otherwise delegated to one (1) or more institutions of ~~postsecondary~~~~[higher]~~
 learning. The responsibility may be exercised through appropriate contractual
 relationships with individuals or agencies located within or without the
 Commonwealth. The authority includes, but is not limited to, contractual
 arrangements for programs of research, specialized training, and cultural
 enrichment~~[-]~~

(22)~~[(13)]~~ ~~Maintain~~~~[Develop]~~ procedures for the approval of a designated receiver to
 provide for the maintenance of student records of the public institutions of higher
 education and the colleges as defined in KRS 164.945, and institutions operating
 pursuant to KRS 165A.310 which offer collegiate level courses for academic credit,
 which cease to operate~~[- after July 15, 1980]~~. Procedures shall include assurances
 that, upon proper request, subject to federal and state laws and regulations, copies of
 student records shall be made available within a reasonable length of time for a
 minimum fee~~[-]~~

(23)~~[(14)]~~ Monitor and transmit a report on compliance with KRS 164.351~~[- The report~~
~~shall be transmitted]~~ to the director of the Legislative Research Commission for
 distribution to the Health and Welfare Committee~~[-]~~

(24)~~[(15)]~~ Develop in cooperation with each state postsecondary educational institution~~[-~~
~~of higher education]~~ a comprehensive orientation program for new members of the

- 1 *council and the*~~[to be carried out by the respective institution for newly appointed]~~
2 governing *boards*~~[board trustees and regents]~~. The orientation program shall
3 include, but not be limited to, the~~[presentation of]~~ information concerning *the roles*
4 *of the council, the Strategic Committee on Postsecondary Education, the state*
5 *strategic postsecondary education agenda and the implementation plan, and* the
6 respective institution's mission, budget, plans, policies, strengths, and weaknesses.
7 *The council and governing board members shall sign a statement affirming their*
8 *understanding of the state strategic postsecondary education agenda and the*
9 *mission of their respective institutions at the end of the orientation session;*
10 *(25) Develop a standardized accounting procedure to be used by all state*
11 *postsecondary education institutions to ensure uniformity of financial*
12 *information available to state agencies and the public;*
13 *(26) Select and appoint a president of the council under Section 5 of this Act;*
14 *(27) Employ consultants and other persons and employees as may be required for the*
15 *council's operations, functions, and responsibilities;*
16 *(28) Promulgate administrative regulations, in accordance with KRS Chapter 13A,*
17 *governing its powers, duties, and responsibilities as described in this section;*
18 *(29) Prepare and present by January 31 of each year an annual status report on*
19 *postsecondary education in the Commonwealth to the Governor, the Strategic*
20 *Committee on Postsecondary Education, and the Legislative Research*
21 *Commission;*
22 *(30) Ensure that the state postsecondary system does not unnecessarily duplicate*
23 *services and programs provided by private postsecondary institutions and shall*
24 *promote maximum cooperation between the state postsecondary system and*
25 *private postsecondary institutions;*

(31) Create advisory groups representing the presidents, faculty, nonteaching staff, and students of the public postsecondary education system and the independent colleges and universities; and

(32) Exercise any other powers, duties, and responsibilities necessary to carry out the purposes of this chapter. Nothing in this chapter shall be construed to grant the Council on Postsecondary Education authority to disestablish or eliminate any college of law which became a part of the state system of higher education through merger with a state college.

Section 73. KRS 164.0205 is amended to read as follows:

The Council on Postsecondary~~Higher~~ Education in Kentucky shall promote, support, and assist in the program created in KRS 158.798 by:

- (1) Identifying college students who have a superior academic aptitude or achievement in math, science, and technology related course work to participate in this program;
- (2) Educating higher education institutions as to the availability of this program and encouraging participation by administrators, faculty, and students;
- (3) Establishing liaison and assisting in the coordination of any specific program component which involves college-level internships, scholarships, or career development.

Section 74. KRS 164.021 is amended to read as follows:

The president or chief executive officer of each four (4) year state institution of higher learning and the president of the Kentucky Community and Technical College System shall serve on an advisory conference for the Council on Postsecondary~~Higher~~ Education. The Advisory Conference of Presidents will receive the full agenda for each meeting of the council a reasonable time prior to the council meeting and, in the event of viewpoints differing from the Council on Postsecondary~~Higher~~ Education, an elected spokesperson for the conference may meet with the council and the executive committee to present before the council the institutional positions on such issues. At least once each

1 year the Council on Postsecondary~~Higher~~ Education will meet with the Advisory
2 Conference of Presidents.

3 Section 75. KRS 164.027 is amended to read as follows:

4 (1) The Council on Postsecondary~~Higher~~ Education shall have authority to provide
5 for a program of occupational qualification development in the Commonwealth. The
6 program may be provided for by contract with any recognized and accredited
7 municipal junior college located within the Commonwealth. The contract shall
8 provide that the college shall admit to its course of instruction, up to such
9 percentage of its full teaching capacity as may be fixed by contract, residents of the
10 Commonwealth who make application to pursue the course of study of the college;
11 provided, however, that the persons shall be classified as residents according to
12 council administrative regulations and shall be eligible for admissions to the junior
13 college.

14 (2) The Council on Postsecondary~~Higher~~ Education shall pay to the college not more
15 than two hundred dollars (\$200) per school year for each student enrolled. The
16 payments shall be additional to the annual tuition fees paid by each student. The
17 council shall have authority to provide by contract that it pay the expense of specific
18 research projects or programs conducted by the college. The council shall make an
19 annual report of its occupational qualification development program after June 30 of
20 each year, including an accounting of all moneys received and disbursed. The council
21 shall have no authority to incur any obligation in excess of the sums that have been
22 appropriated to it.

23 Section 76. KRS 164.028 is amended to read as follows:

24 There shall be established in the Council on Postsecondary~~Higher~~ Education an Office
25 of Professional Education Preparation Programs. The office shall have as its principal
26 responsibility the coordination, development, and implementation, through appropriate
27 means, of educational activities directed toward solving the problem of professional

manpower distribution in the Commonwealth. For the purposes of KRS 164.028 to 164.029, the words "profession" and "professional" mean medicine and dentistry.

Section 77. KRS 164.0282 is amended to read as follows:

The Council on ~~Higher~~ Postsecondary Education shall:

- (1) Employ a director and sufficient staff to administer the professional education preparation programs;
- (2) Formulate guidelines and policies governing program activities and fund expenditures;
- (3) Allocate funds to appropriate agencies, organizations, and institutions for the purpose of conducting activities approved in accordance with guidelines and policies;
- (4) Recognize regional groups made up of professionals, educators, and consumers, which shall serve in an advisory capacity to the council in accordance with guidelines and policies;
- (5) Recognize a group made up of professionals, educators and consumers which shall serve in an advisory capacity to the council on all program matters;
- (6) Develop and maintain a mechanism for evaluating the impact of the program activities on admissions to, and graduation from, professional schools, and on professional manpower distribution;
- (7) Conduct specific program activities which are beyond the capability of a single institution, agency, or organization, or when it is determined that it would be inappropriate for such institutions, agencies, or organizations to conduct the activity;
- (8) Establish liaison with and provide assistance to the Kentucky Board of Education ~~and the State Board for Occupational Education~~ in developing counseling and other related programs to encourage students from shortage areas to prepare for professional careers;

1 (9) Coordinate the development of a financial support system to enable potential
 2 professional students in underserved areas which will enhance their ability to apply
 3 for, be admitted to, and graduate from professional education programs;

4 (10) Report at least annually to the appropriate committees and interim committees of the
 5 General Assembly on the operation of the program.

6 Section 78. KRS 164.029 is amended to read as follows:

7 The Area Health Education System in the Council on Postsecondary~~[Higher]~~ Education is
 8 hereby recognized.

9 Section 79. KRS 164.030 is amended to read as follows:

10 The governing board of each of the state postsecondary educational institutions~~[of~~
 11 ~~higher learning]~~ shall make such changes or adjustments in the curricula and such rules and
 12 regulations affecting their schools as are necessary to carry out and put into effect the
 13 rulings of the Council on Postsecondary~~[Higher]~~ Education in regard to curricular
 14 offerings, entrance fees and qualifications for admission to and reports from their
 15 respective institutions.

16 Section 80. KRS 164.050 is amended to read as follows:

17 The members of the Council on Postsecondary Education shall receive one hundred
 18 dollars (\$100)~~[sixty-five dollars (\$65)]~~ per day for each council meeting attended and
 19 shall be reimbursed for their necessary traveling and other expenses while attending the
 20 meetings of the council, except a member who resides outside the Commonwealth shall
 21 not be reimbursed for out-of-state travel. Each institution shall pay the expenses of its own
 22 representatives. The expenses of the chief state school officer shall be paid by the state in
 23 the same manner as his other traveling expenses are paid.

24 Section 81. KRS 164.070 is amended to read as follows:

25 The council shall meet in the office of the president~~[executive director]~~ or such other
 26 place as it designates.

27 Section 82. KRS 164.095 is amended to read as follows:

1 (1) As used in this section, unless the context requires otherwise:

2 (a) "Disability" means hard of hearing, including deafness; speech or language
3 impairment; visual impairment, including blindness; orthopedic impairment;
4 other health impairment that substantially limits a major life activity; or specific
5 learning problem.

6 (b) "Institution" means public universities, their subdivisions, and the ~~University~~
7 ~~of~~ Kentucky Community and Technical College System.

8 (2) It is the intent of the General Assembly that an accountability process be
9 implemented which provides for a systematic ongoing evaluation of quality and
10 effectiveness in Kentucky postsecondary educational ~~[public]~~ institutions ~~[of higher~~
11 ~~education]~~ and to provide a method for evaluating each institution's progress toward
12 meeting specific goals, principles, strategies, objectives, and benchmarks as set
13 forth in the strategic agenda established in Section 6 of this Act ~~[standards]~~. It is
14 further the intent of the General Assembly that the accountability process monitor
15 performance at the institutions in each of the major areas of instruction, research,
16 and public service, while recognizing the individual missions of each of the
17 institutions. The accountability process shall provide for the adoption of systemwide
18 and individual performance goals with standards identified with the advice
19 of ~~[through a collaborative effort involving]~~ the postsecondary educational ~~[higher~~
20 ~~education]~~ institutions and the Council on Postsecondary ~~[Higher]~~ Education.

21 (3) The Council on Postsecondary Education shall develop and implement a system
22 of accountability for the postsecondary education institutions that measures:

23 (a) Educational quality and educational outcomes;

24 (b) Student progress in the postsecondary system;

25 (c) Research and service activities;

26 (d) Use of resources;

1 (e) Other performance or outcomes that support the achievement of the
 2 strategic agenda, including involvement in quality enhancement of
 3 elementary and secondary education; and

4 (f) Other indicators as deemed appropriate by the Council on Postsecondary
 5 Education.

6 (4) The Council on Postsecondary Education shall collect information, maintain a
 7 comprehensive database, and publish reports on the condition of the
 8 postsecondary education system that include but are not limited to student
 9 enrollments, utilization of facilities, and the finances of the institutions [The

10 accountability process shall be implemented in phases as follows:

11 ~~(a) By October 1, 1992, the Council on Higher Education shall submit to the~~
 12 ~~Governor and the Legislative Research Commission a plan for implementing~~
 13 ~~the higher education accountability process. The plan shall provide a timetable~~
 14 ~~which identifies the specific performance standards and related goals to be~~
 15 ~~implemented each year, with full implementation by December 31, 1994. The~~
 16 ~~plan shall include, but not be limited to, data gathered and reported in a~~
 17 ~~manner prescribed by the Council on Higher Education on the following~~
 18 ~~performance standards:~~

- 19 1. ~~Total student credit hours produced, by institution and by discipline;~~
- 20 2. ~~Total number of degrees awarded, by institution and by discipline;~~
- 21 3. ~~Total number of contact hours of instruction produced by faculty, rank of~~
 22 ~~faculty, institution, and course level;~~
- 23 4. ~~A measure of faculty workload to include the hours spent in the~~
 24 ~~following activities: instruction, course preparation, noninstructional~~
 25 ~~student contact, research, and public service;~~
- 26 5. ~~Pass rates on professional licensure examinations, by institution;~~

- 1 ~~6.—Institutional quality as assessed by follow-up surveys of alumni, parents,~~
- 2 ~~clients, and employers;~~
- 3 ~~7.—Length of time and number of academic credits required to complete an~~
- 4 ~~academic degree, by institution and by degree.~~
- 5 ~~8.—Enrollment, persistence, retention, and graduation rates by discipline and~~
- 6 ~~by race, gender, and disability. The disability category shall include all~~
- 7 ~~students who are clients of vocational rehabilitation and students who~~
- 8 ~~make their disability known to the institution;~~
- 9 ~~9.—Student course demand analysis;~~
- 10 ~~10.—Classroom utilization;~~
- 11 ~~11.—Research and public service activities, including activities supporting~~
- 12 ~~elementary and secondary education reform;~~
- 13 ~~12.—The number and percentage of accredited programs and the number and~~
- 14 ~~percentage of programs eligible for accreditation;~~
- 15 ~~13.—The percent and number of students enrolled in remedial courses and the~~
- 16 ~~number of students exiting remedial courses and successfully completing~~
- 17 ~~entry-level curriculum courses; and~~
- 18 ~~14.—The number of full-time students who have transferred from a two-year,~~
- 19 ~~post-secondary institution and the number of these students who have~~
- 20 ~~successfully completed a four-year program]~~

21 (5) ~~[(b) Beginning December 1, 1993,]~~The Council on Postsecondary~~[Higher]~~
 22 Education shall submit to the Governor and the Legislative Research Commission an
 23 annual accountability report providing information on the implementation of
 24 performance standards and the achievement of the performance goals during the
 25 prior year and initiatives to be undertaken during the next year.

26 Section 83. KRS 164.125 is amended to read as follows:

27 (1) The University of Kentucky shall provide:

- 1 (a) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, associate
2 and baccalaureate programs of instruction;
- 3 (b) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, master
4 degree programs, specialist degree programs above the masters-degree level,
5 and joint doctoral programs in cooperation with other state-supported
6 postsecondary educational~~institutions of higher education~~ in the state;
- 7 (c) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, doctoral
8 and post-doctoral programs and professional instruction including law,
9 medicine, dentistry, education, architecture, engineering and social professions.
- 10 (2) The University of Kentucky shall be the principal state institution for the conduct of
11 statewide research and statewide service programs ~~and shall be the only institution~~
12 ~~authorized to expend state general fund appropriations on research and service~~
13 ~~programs of a statewide nature financed principally by state funds. As applied in this~~
14 ~~section, research and service programs of a statewide nature shall be programs~~
15 ~~requiring the establishment and operation of facilities or centers outside of the~~
16 ~~primary service area of the institution]~~
- 17 (3) The University of Kentucky is authorized to provide programs of a community
18 college nature in its own community comparable to those listed for the community
19 college system, as provided by KRS Chapter 164.

20 Section 84. KRS 164.131 is amended to read as follows:

- 21 (1) (a) The government of the University of Kentucky is vested in a board of trustees
22 appointed for a term set by law pursuant to Section 23 of the Constitution of
23 Kentucky.
- 24 (b) All persons appointed after the effective date of this Act shall be required to
25 attend and complete an orientation program prescribed by the council
26 under Section 72 of this Act, as a condition of their appointment. At the end
27 of the orientation session, the members shall sign a statement affirming

1 their understanding of the state strategic postsecondary education agenda
 2 and the mission of the university.

3 (c) The board shall periodically evaluate the institution's progress in
 4 implementing its missions, goals, and objectives to conform to the state
 5 strategic agenda for postsecondary education. Officers and officials shall be
 6 held accountable for the status of the institution's progress.

7 (d) Board members may be removed by the Governor for cause, which shall
 8 include neglect of duty or malfeasance in office, after being afforded a
 9 hearing with counsel before the council and a finding of fact by the
 10 council.

11 (e) The board shall consist of sixteen (16) members appointed by the Governor,
 12 two (2) members of the faculty of the University of Kentucky,~~[- one (1)~~
 13 ~~member of the teaching faculty of the community college system,]~~ and one (1)
 14 member of the student body of the University of Kentucky. The voting
 15 members of the board shall select a chairperson annually.

16 (2) (a) The terms of the appointed members shall be for six (6) years and until their
 17 successors are appointed and qualified; except the initial appointments shall be
 18 as follows:

- 19 1. Two (2) members shall serve one (1) year terms;
- 20 2. Two (2) members shall serve two (2) year terms, one (1) of whom shall
 21 be a graduate of the university, selected from a list of three (3) names
 22 submitted by the alumni of the university according to rules established
 23 by the board of trustees;
- 24 3. Three (3) members shall serve three (3) year terms;
- 25 4. Three (3) members shall serve four (4) year terms, one (1) of whom shall
 26 be a graduate of the university, selected as under subparagraph 2. of this
 27 subsection;

- 1 5. Three (3) members shall serve five (5) year terms; and
- 2 6. Three (3) members shall serve six (6) year terms, one (1) of whom shall
- 3 be a graduate of the university, selected as under subparagraph 2. of this
- 4 subsection.
- 5 (b) Three (3) of the appointments shall be graduates of the university and may
- 6 include one (1) graduate of the institution who resides outside the
- 7 Commonwealth; three (3) shall be representative of agricultural interests; and
- 8 ten (10) shall be other distinguished citizens representative of the learned
- 9 professions.
- 10 (c) The Governor shall make the appointments so as to reflect proportional
- 11 representation of the two (2) leading political parties of the Commonwealth
- 12 based on the state's voter registration and to reflect no less than proportional
- 13 representation of the minority racial composition of the Commonwealth.
- 14 (d) Appointments to fill vacancies shall be made for the unexpired term in the
- 15 same manner as provided for the original appointments.
- 16 (3)~~[(a)]~~ The two (2) University of Kentucky faculty members shall be of the rank of
- 17 assistant professor or above. They shall be elected by secret ballot by all University
- 18 of Kentucky faculty members of the rank of assistant professor or above. Faculty
- 19 members shall serve for terms of three (3) years and until their successors are elected
- 20 and qualified. Faculty members shall be eligible for reelection, but they shall be
- 21 ineligible to continue to serve as members of the board of trustees if they cease to be
- 22 members of the faculty of the university. Elections to fill vacancies shall be for the
- 23 unexpired term in the same manner as provided for original elections.
- 24 ~~[(b) The faculty member representing the community college system shall be a teaching~~
- 25 ~~or research member at one (1) of the community colleges. The community college~~
- 26 ~~faculty member shall be elected by secret ballot by members of the community~~
- 27 ~~college faculties. The community college faculty member shall serve for a three (3)~~

1 ~~year term and until a successor is elected and qualified. No community college shall~~
 2 ~~have a faculty representative on the board of trustees for more than one (1) term in~~
 3 ~~succession. The community college faculty member shall be ineligible to continue to~~
 4 ~~serve as a member of the board of trustees if he ceases to be a member of the faculty~~
 5 ~~at one (1) of the community colleges. Election to fill a vacancy shall be made for the~~
 6 ~~unexpired term in the same manner as provided for original election.]~~

7 (4) The student member shall be the president of the student body of the university
 8 during the appropriate academic year and may be an out-of-state resident if
 9 applicable. If the student member does not maintain his position as student body
 10 president or, his status as a full-time student at any time during that academic year, a
 11 special election shall be held to select a full-time student. The student member shall
 12 serve for a term of one (1) year beginning with the first meeting of the fiscal year
 13 which contains that academic year.

14 (5) The number of student and employee trustees of the University of Kentucky elected
 15 to the board shall not exceed four (4).

16 (6) No member of the administrative staff of the university shall be directly or indirectly
 17 interested in any contract with the university for the sale of property, materials,
 18 supplies, equipment, or services, with exception of compensation to the three (3)
 19 faculty members.

20 **(7) No member of the board shall serve more than two (2) consecutive terms.**

21 Section 85. KRS 164.150 is amended to read as follows:

22 No member of a governing board of a public institution of postsecondary~~[higher]~~
 23 education shall be held to be a public officer by reason of his membership on the board
 24 except as provided in KRS 45A.335 for the purpose of KRS 45A.340.

25 Section 86. KRS 164.260 is amended to read as follows:

26 The board of trustees may acquire additional lands or other property or material under
 27 **Section 138 of this Act** for the purpose of expanding its plant and extending its usefulness.

When unable to contract with the owner of land or other property or material necessary for the purposes of the university, it may acquire the same by condemnation proceedings in the manner provided in the Eminent Domain Act of Kentucky.

Section 87. KRS 164.283 is amended to read as follows:

(1) As used in this section unless the context otherwise requires:

(a) "Academic" means a student's official record of academic performance, including, but not limited to transcript of grades or other action taken by the institution directly related to academic performance. The term "academic" does not include any nonacademically-related action the institution may take.

(b) "Universities and colleges" means all ~~state~~^{public} supported postsecondary educational institutions ~~of higher learning~~ in Kentucky.

(c) "Institution" means all public supported institutions of higher learning in Kentucky.

(2) All student academic records shall be confidential, with the exception of the exemptions stated in subsections (3) to (9) of this section, and shall not be released by any public supported institution of higher education in Kentucky, to any person, organization, institution, group or agency, except with the express consent of the individual student. This confidentiality shall apply only to student academic records, including, but not limited to official transcript of grades.

(3) All student academic records shall be made available upon request to any agency of the federal or state government for the purpose of determining a student's eligibility for military service, and shall include making such records available to local draft boards. This authority shall be limited only to determining the student's eligibility for military service and shall not be extended, except with the individual student's consent as specified in subsection (2) of this section.

(4) Any institution may provide the legal parents of any student under twenty-one (21) years of age with a copy of the student's academic record.

- 1 (5) All student academic records shall be made available to any federal, state, or local
2 law enforcement agency and any court of law upon request or issuance of a
3 subpoena.
- 4 (6) All student academic records shall be made available upon request to any grantor of
5 scholarships or loans based upon the maintenance of a satisfactory level of
6 scholarship, but shall be for the official use of the grantors only.
- 7 (7) All student academic records shall be made available upon request to a public or
8 private junior college from which the individual student was graduated or to a public
9 or private secondary school from which the individual student was graduated.
- 10 (8) All student academic records shall be made available upon request to the Council on
11 Postsecondary~~Higher~~ Education for professional academic research.
- 12 (9) All student academic records shall be made available upon request to any official of
13 the university or college in which the student is enrolled who is directly concerned
14 with the student's academic progress. This authority shall include but is not limited
15 to the individual student's academic adviser.
- 16 (10) This section shall be applicable to all academic records maintained by all
17 state~~public~~ supported postsecondary educational institutions~~of higher education~~
18 in Kentucky.

19 Section 88. KRS 164.287 is amended to read as follows:

20 Each board of regents or trustees of the state-supported postsecondary educational
21 institutions~~of higher learning~~ is authorized to provide for liability and indemnity
22 insurance against the negligence of drivers or operators of motor vehicles or other mobile
23 equipment owned or operated by the board. If the transportation of members of the
24 student bodies is let out under contract, the contract shall require the contractor to carry
25 indemnity or liability insurance against negligence in such amount as the board designates.
26 In either case the indemnity bond or insurance policy shall be issued by some surety or
27 insurance company authorized to transact business in this state, and shall bind the

company to pay any final judgment not to exceed the limits of the policy rendered against the insured for loss or damage to property of any student or other person, or death or injury of any student or other person.

Section 89. KRS 164.2871 is amended to read as follows:

- (1) The governing board of each state postsecondary educational institution~~[of higher education]~~ is authorized to purchase liability insurance for the protection of the individual members of the governing board, faculty, and staff of such institutions from liability for acts and omissions committed in the course and scope of the individual's employment or service. Each institution may purchase the type and amount of liability coverage deemed to best serve the interest of such institution.
- (2) All retirement annuity allowances accrued or accruing to any employee of a state postsecondary educational institution~~[of higher education]~~ through a retirement program sponsored by the state postsecondary educational institution~~[of higher education]~~ are hereby exempt from any state, county, or municipal tax, and shall not be subject to execution, attachment, garnishment, or any other process whatsoever, nor shall any assignment thereof be enforceable in any court. Except retirement benefits accrued or accruing to any employee of a state postsecondary educational institution~~[of higher education]~~ through a retirement program sponsored by the state postsecondary educational institution~~[of higher education]~~ on or after January 1, 1998, shall be subject to the tax imposed by KRS 141.020, to the extent provided in KRS 141.010 and 141.0215.
- (3) Except as provided in KRS Chapter 44, the purchase of liability insurance for members of governing boards, faculty and staff of institutions of higher education in this state shall not be construed to be a waiver of sovereign immunity or any other immunity or privilege.

Section 90. KRS 164.288 is amended to read as follows:

1 Any of the state postsecondary educational institutions~~[of higher education]~~ or the state
 2 on behalf of any of the institutions may accept federal aid in the form of services,
 3 equipment, supplies, materials or funds by way of gift, grant or loan for the purpose of
 4 higher education including student loans. Any of the institutions acting through its
 5 president or its governing board is hereby authorized to receive such services, equipment,
 6 supplies, materials and funds as are available. The institutions are authorized to use funds
 7 appropriated to them in carrying out the matching provisions required by federal
 8 programs, loans or grants.

9 Section 91. KRS 164.289 is amended to read as follows:

10 Notwithstanding any other provision of KRS Chapter 164, the faculty member of any
 11 governing board of any postsecondary educational institution~~[of higher education]~~
 12 supported in whole or in part by state funds, whether or not described as nonvoting, shall
 13 have the right to vote on all matters except that of faculty compensation.

14 Section 92. KRS 164.2891 is amended to read as follows:

15 Any university or postsecondary educational institution under the jurisdiction of the
 16 Council on Postsecondary~~[Higher]~~ Education may have a faculty member as a voting
 17 member of its board of trustees or regents.

18 Section 93. KRS 164.295 is amended to read as follows:

19 The six (6) state universities shall provide:

- 20 (1) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, associate and
 21 baccalaureate programs of instruction;
- 22 (2) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, graduate
 23 programs of instruction at the masters-degree level in education, business, and the
 24 arts and sciences, specialist degrees, and programs beyond the masters-degree level
 25 to meet the requirements for teachers, school leaders, and other certified personnel;
- 26 (3) Research and service programs directly related to the needs of their primary
 27 geographical areas;

(4) And, may provide programs of a community college nature in their own community comparable to those listed for the ~~University of~~ Kentucky Community and Technical College System, as provided ~~in Section 109 of this Act~~ by this chapter

Section 94. KRS 164.310 is amended to read as follows:

There shall be a board of regents for each of the state universities~~[colleges]~~, to be known as the board of regents of the State University and a board of regents for the Kentucky Community and Technical College System~~(or College)~~.

Section 95. KRS 164.321 is amended to read as follows:

(1) Eastern Kentucky University, Morehead State University, Murray State University, Western Kentucky University, Kentucky State University,~~and~~ Northern Kentucky University, and the Kentucky Community and Technical College System shall each be governed by a board of regents appointed for a term set by law pursuant to Section 23 of the Constitution of Kentucky.

(a) Each board of the regional universities shall consist of eight (8) members appointed by the Governor, one (1) member of the teaching faculty, one (1) member of the university nonteaching personnel, and one (1) member of the student body of the respective university or college. The members of the board shall select a chairperson annually.

(b) The board of the Kentucky Community and Technical College System shall consist of eight (8) members appointed by the Governor and six (6) elected members as described in subsections (6), (7), and (8) of this section.

1. Four (4) members shall be appointed by the Governor from three (3) nominations for each of four (4) appointments, recommended by the board of trustees of the University of Kentucky. The Governor may request additional nominations at his discretion.

2. Four (4) members shall be appointed by the Governor from nominations by the Governor's Postsecondary Nominating Committee, under Section 69 of this Act.

No more than two (2) appointed members of the board shall reside in any one (1) judicial district of the Kentucky Supreme Court as of the date of the appointment. However, change in residency after the date of appointment shall not affect the ability to serve.

(2) The terms of appointed members shall be for six (6) years and until their successors are appointed and qualified, except the initial appointments to the board of regents for the Kentucky Community and Technical College System shall be as follows:

- (a) One (1) member shall serve a one (1) year term;
- (b) One (1) member shall serve a two (2) year term;
- (c) Two (2) members~~One (1) member~~ shall serve ~~a~~ three (3) year terms~~term~~;
- (d) One (1) member shall serve a four (4) year term;
- (e) One (1) member~~Two (2) members~~ shall serve a five (5) year term~~terms~~;
- and
- (f) Two (2) members shall serve six (6) year terms.

No member of a board of regents shall be appointed for more than two (2) consecutive terms.

(3) The gubernatorial appointments may include one (1) graduate of the respective institution who resides outside the Commonwealth. Not more than two (2) appointed members of any board shall be residents of one (1) county. The appointments shall reflect the proportional representation of the two (2) leading political parties of the Commonwealth based on the state's voter registration. Membership on the board shall reflect no less than proportional representation of the minority racial composition of the Commonwealth. Membership on the board shall not be incompatible with any state office.

1 (4) Appointments to fill vacancies shall be made in the same manner and within the same
 2 time after the occurrence of the vacancy as regular appointments. The person
 3 appointed shall hold the position for the unexpired term only.

4 (5) Each member of the board shall serve for the term for which he is appointed and
 5 until his successor is appointed and qualified.

6 (6) (a) The faculty member shall be a teaching or research member of the faculty of
 7 his respective university or college of the rank of assistant professor or above.
 8 He shall be elected by secret ballot by all faculty members of his university or
 9 college of the rank of assistant professor or above. The faculty member shall
 10 serve for a term of three (3) years and until his successor is elected and
 11 qualified. The faculty member shall be eligible for reelection, but he shall not
 12 be eligible to continue to serve as a member of the board if he ceases being a
 13 member of the teaching staff of the university or college. Elections to fill
 14 vacancies shall be for the unexpired term in the same manner as provided for
 15 original election.

16 (b) The faculty members of the Kentucky Community and Technical College
 17 System shall be represented by one (1) faculty member elected from the
 18 community colleges and one (1) faculty member elected from the technical
 19 institutions to serve three (3) year terms and until their successors are
 20 named. The faculty representatives of each branch shall be elected by
 21 means of a process established by the board. The faculty members may be
 22 reelected but shall not serve more than two (2) consecutive terms. A faculty
 23 member shall be ineligible to continue to serve as a member of the board if
 24 he ceases to be a member of the faculty at one (1) of the institutions within
 25 the system. These two (2) members shall collectively have one (1) vote
 26 which may be cast one-half (1/2) vote by each member.

1 (7) (a) The nonteaching personnel member in a regional university shall be any full-
2 time staff member excluding the president, vice presidents, academic deans,
3 and academic department chairpersons. He shall represent all nonteaching
4 university employees including, but not limited to, building facilities and
5 clerical personnel. He shall be elected by secret ballot by the nonteaching
6 employees. The nonteaching personnel member shall serve a term of three (3)
7 years and until his successor is elected and qualified. The nonteaching
8 personnel member shall be eligible for reelection, but he shall not be eligible to
9 continue to serve as a member of the board if he ceases being an employee of
10 the university. Elections to fill vacancies shall be for the unexpired term in the
11 same manner as provided for the original election.

12 (b) The nonteaching personnel members in the Kentucky Community and
13 Technical College System shall be any full-time staff member excluding a
14 president, chancellor, vice president, academic dean, academic department
15 chair, or other administrator. They shall represent all nonteaching
16 employees in their respective branch institutions including, but not limited
17 to, support and clerical personnel. One (1) member shall be a representative
18 from the community colleges and one (1) member shall be a representative
19 from the technical institutions. They shall serve three (3) year terms and
20 until their successors are named. These two (2) members shall collectively
21 have one (1) vote which may be cast one-half (1/2) vote by each member.
22 The nonteaching personnel members of each branch shall be elected by
23 means of a process established by the board. A nonteaching personnel
24 member may be reelected but shall not serve more than two (2) consecutive
25 terms. A nonteaching employee shall be ineligible to continue to serve as a
26 member of the board if that employee ceases to be a nonteaching employee
27 at one (1) of the institutions within the system.

(8) (a) The student member on a regional university board shall be the president of the student body of the university during the appropriate academic year and may be an out-of-state resident if applicable. If the student member does not maintain his position as student body president or his status as a full-time student at any time during that academic year, a special election shall be held to select a full-time student member. The student member shall serve for a term of one (1) year beginning with the first meeting of the fiscal year which contains that academic year.

(b) Two (2) full-time student members shall be elected to the board of regents for the Kentucky Community and Technical College System. One (1) shall represent students of the community colleges and one (1) shall represent the technical institutions. The student members shall be elected by means of a process established by the board. The student members shall serve one (1) year terms beginning with the first meeting of the fiscal year that contains the academic year. If the student member does not maintain his or her status as a full-time student, a special election shall be held to fill the vacancy. The two (2) members shall collectively have one (1) vote which may be cast one-half (1/2) vote by each member.

(9) All persons appointed after the effective date of this Act shall be required to attend and complete an orientation program prescribed by the council under Section 72 of this Act, as a condition of their appointment. Members shall sign a statement, affirming their understanding of the state strategic agenda for postsecondary education and the mission of the respective institutions they represent.

(10) Board members may be removed by the Governor for cause, which shall include neglect of duty or malfeasance in office, after being afforded a hearing with

1 counsel before the Council on Postsecondary Education and a finding of fact by
 2 the council.

3 (11) The initial board of the Kentucky Community and Technical College System
 4 shall be appointed by July 31, 1997.

5 Section 96. KRS 164.330 is amended to read as follows:

6 Each board of regents shall hold its first meeting within thirty (30) days after each
 7 appointment of new members. At this meeting there shall be elected a vice chairperson and
 8 a secretary for the board. Each board shall appoint a treasurer, and such officers as it
 9 deems necessary but no member of any of the boards shall be appointed treasurer. No
 10 member of any board shall draw any salary for his services, but shall be reimbursed for
 11 necessary expenditures made in going to and from each meeting of the board and for other
 12 legitimate expenses, except a member who resides outside the Commonwealth shall not be
 13 reimbursed for out-of-state travel. The expenses shall be paid out of the funds of the
 14 appropriate institution~~[university or college]~~

15 Section 97. KRS 164.335 is amended to read as follows:

16 In addition to the qualifications provided in KRS 164.131 for members of the board of
 17 trustees of the University of Kentucky, in KRS 164.821 for members of the board of
 18 trustees of the University of Louisville, and in KRS 164.321 for members of the board of
 19 regents of other Kentucky universities and of the Kentucky Community and Technical
 20 College System~~[state colleges]~~, no person who is a member of either house of the
 21 Kentucky General Assembly shall serve as a member of the board of trustees or board of
 22 regents of any state-supported institution~~[college or university]~~

23 Section 98. KRS 164.340 is amended to read as follows:

24 The governing board shall meet quarterly at the institution~~[university or college]~~ or at
 25 such other place as is agreed upon. Upon written request of the president of the institution
 26 or of two (2) members of the board, the chairman of the board shall call a special meeting
 27 at a place designated by him, and the board may at such special meeting transact any or all

business that it may transact at a regular meeting. A majority of the members of the board shall constitute a quorum for the transaction of business, but no appropriation of money shall be made nor any contract that requires a disbursement of money shall be authorized, and no teacher employed or dismissed, unless a majority of all the members of the board vote for it.

Section 99. KRS 164.350 is amended to read as follows:

(1) The government of each of the state universities and **the Kentucky Community and Technical College System**~~[colleges]~~ is vested in its respective board of regents.

Each board of regents, when its members have been appointed and qualified, shall constitute a body corporate, with the usual corporate powers, and with all immunities, rights, privileges, and franchises usually attaching to the governing bodies of educational institutions. Each board may:

(a)~~[(1)]~~ Receive grants of money and expend the same for the use and benefit of the university or college;

(b)~~[(2)]~~ Adopt bylaws, rules, and regulations for the government of its members, officers, agents, and employees, and enforce obedience to such rules;

(c)~~[(3)]~~ Require such reports from the president, officers, faculty, and employees as it deems necessary and proper from time to time;

(d)~~[(4)]~~ Determine the number of divisions, departments, bureaus, offices, and agencies needed for the successful conduct of the affairs of the university or college; and

(e)~~[(5)]~~ Grant diplomas and confer degrees upon the recommendation of the president and faculty.

(2) Each board of regents shall periodically evaluate the institution's progress in implementing its missions, goals, and objectives to conform to the state strategic agenda for postsecondary education. Officers and officials shall be held accountable for the status of the institution's progress.

(3) In addition to the duties required in subsections (1) and (2) of this section, the board of regents for the Kentucky Community and Technical College System, upon recommendation of the president of the system, shall:

(a) Develop and implement guidelines for the preparation of budget requests by the administrators of the institutions within the system. The guidelines pertaining to community colleges shall define the processes for review and approval by the boards of directors for the community colleges;

(b) Adopt a consolidated budget request upon the recommendation of the chancellors of the branches and president of the system for submission to the Council on Postsecondary Education for approval;

(c) Adopt an allocation process for distributing the funds appropriated to the system by the General Assembly to the institutions within the system; and

(d) Consider recommendations from the boards of directors of the community colleges to improve the overall budget planning and allocation processes.

The board of regents shall assure that the budget planning and implementation processes are consistent with the adopted long-term and biennial strategic agenda for postsecondary education and with the missions of the institutions within the system.

Section 100. KRS 164.351 is amended to read as follows:

(1) State colleges and universities and the Kentucky Community and Technical College System shall provide information on how to prevent the transmission of the human immunodeficiency virus consistent with the Centers for Disease Control guidelines, to all freshmen and transfer students.

(2) Each state technical institution, community college, or university shall inform students of the name and telephone number of a technical institution, community college, college, or university counselor trained to counsel persons about the human immunodeficiency virus.

1 Section 101. KRS 164.352 is amended to read as follows:

2 If a board of trustees or regents of a state-supported institution of postsecondary
 3 education~~[higher learning]~~ provides access to its campus or its student directory
 4 information to persons or groups which make students aware of occupational or
 5 educational options, the boards shall provide access on the same basis to official recruiting
 6 representatives of the military forces of the state and the United States for the purpose of
 7 informing students of educational and career opportunities available in the military.

8 Section 102. KRS 164.360 is amended to read as follows:

9 (1) (a) Each board of regents for the universities may appoint a president, and on the
 10 recommendation of the president may, in its discretion, appoint all faculty
 11 members and employees and fix their compensation and tenure of service,
 12 subject to the provisions of subsection (2) of this section.

13 (b) The board of regents for the Kentucky Community and Technical College
 14 System shall appoint a president, and on the recommendation of the
 15 president may, in its discretion, appoint all faculty members and employees
 16 and fix their compensation and tenure of service, subject to the provisions
 17 of subsection (2) of this section.

18 (2) No person shall be employed for a longer period than four (4) years. No person shall
 19 be employed at an institution where his relative serves on the board of regents for
 20 that institution.

21 (3) Each board may remove the president of the university or Kentucky Community
 22 and Technical College System~~[college]~~, and upon the recommendation of the
 23 president may remove any faculty member or employees, but no president or faculty
 24 member shall be removed except for incompetency, neglect of or refusal to perform
 25 his duty, or for immoral conduct. A president or faculty member shall not be
 26 removed until after ten (10) days' notice in writing, stating the nature of the charges
 27 preferred, and after an opportunity has been given him to make defense before the

board by counsel or otherwise and to introduce testimony which shall be heard and determined by the board. Charges against a president shall be preferred by the chairperson of the board upon written information furnished to him, and charges against a faculty member shall be preferred in writing by the president unless the offense is committed in his presence.

Section 103. KRS 164.365 is amended to read as follows:

(1) Anything in any statute of the Commonwealth to the contrary notwithstanding, the power over and control of appointments, qualifications, salaries and compensation payable out of the State Treasury or otherwise, promotions, and official relations of all employees of Eastern Kentucky University, Western Kentucky University, Murray State University, Northern Kentucky University, and Morehead State University, as provided in KRS 164.350 and 164.360, and of Kentucky State University **and the Kentucky Community and Technical College System**, shall be under the exclusive jurisdiction of the respective governing boards of each of the institutions named.

(2) The board of regents for the Kentucky Community and Technical College System shall develop personnel rules for the governing of its members, officers, agents, and employees by June 30, 1998. The board shall adopt interim policies to govern employees hired from July 1, 1997, until the permanent rules are adopted.

Section 104. KRS 164.400 is amended to read as follows:

The respective boards of regents of the state universities and colleges **and the Kentucky Community and Technical College System** shall establish such incidental fees and nonresident tuition fees as will be sufficient for the purpose of paying the incidental expenses of the university or college and as are consistent with the recommendations of the Council on **Postsecondary**~~[Higher]~~ Education. No money derived from nonresident tuition or other fees paid by students shall be used for any other purpose, except such amount as is over and above that needed to defray the incidental expenses.

1 Section 105. KRS 164.410 is amended to read as follows:

- 2 (1) The governing board of a postsecondary education~~an~~ institution~~of higher~~
 3 ~~education~~ may purchase or lease land under Section 138 of this Act for the
 4 purpose of securing the erection of buildings~~,~~ and may receive by any legal mode
 5 of conveyance, purchase, and hold property under Section 138 of this Act of any
 6 description that the board deems necessary for the purposes of the school, and may
 7 build and construct improvements for such purposes and hold or sell the same. If a
 8 governing board is unable to agree with the owner of the real estate as to its value,
 9 or to its purchase, it may proceed in its own name to condemn the real estate in the
 10 manner provided in the Eminent Domain Act of Kentucky. Real estate acquired by
 11 purchase or condemnation shall be paid for out of money appropriated to the
 12 institution.
- 13 (2) The governing board of each institution shall periodically review the assets of the
 14 institution and shall sell and convey under Section 138 of this Act those assets not
 15 necessary for implementing the institutional mission. Proceeds from the disposition
 16 shall be deposited in the unexpended plant fund account or in the fund for excellence
 17 authorized by KRS 164A.620.
- 18 (3) Any real property acquired under this section shall be in name of the Commonwealth
 19 for the use and benefit of the institution.

20 Section 106. KRS 164.460 is amended to read as follows:

21 The president of each postsecondary education institution~~of higher education~~ shall
 22 make to his governing board written reports which shall contain a full account of receipts
 23 of money from all sources, amount, and purpose of disbursements thereof, and the
 24 condition of the university or college. The reports shall be made according to a schedule
 25 established by the board.

26 Section 107. KRS 164.4781 is amended to read as follows:

1 ~~[By the beginning of the 1986-87 school year,]~~ There shall be an interpreter training
 2 program at one (1) public institution of higher education to ensure that qualified
 3 interpreters are available to meet the needs of deaf and hard of hearing students attending
 4 the institutions of higher education. The Council on Postsecondary~~[Higher]~~ Education
 5 shall select an institution which has demonstrated expertise in training interpreters and is
 6 currently providing support services for deaf and hard of hearing students to develop and
 7 offer the training program. The program shall lead to a minimum of an associate degree in
 8 interpreting.~~[By the beginning of the 1987-88 school year,]~~ The university shall
 9 implement an extension interpreter training program which shall move to different sites
 10 throughout the state from year to year. These programs shall be exempt from the normal
 11 student load requirements for a period of ten (10) years or until it can be clearly
 12 demonstrated that an adequate supply of interpreters is available in all parts of the state,
 13 whichever is later.

14 Section 108. KRS 164.540 is amended to read as follows:

- 15 (1) The Council on Postsecondary~~[Higher]~~ Education in Kentucky as defined in KRS
 16 164.011 is hereby designated as the agency of the Commonwealth of Kentucky
 17 charged with the responsibility and vested with all necessary authority, subject to the
 18 conditions and restrictions set out in subsection (2) of this section, to carry out the
 19 obligations, participate in the planning and negotiations, and administer the rights,
 20 benefits, and privileges, devolving upon the Commonwealth of Kentucky and its
 21 citizens pursuant to the regional compact referred to in KRS 164.530, and to do all
 22 such other acts and things as may be necessary or desirable to implement the
 23 provisions of said regional compact efficiently and impartially for the benefit of all
 24 citizens of the Commonwealth.
- 25 (2) In its participation in the regional compact, or in any other regional plan having a
 26 similar purpose, the Commonwealth of Kentucky shall not erect, acquire, develop,
 27 or maintain in any manner any educational institution within its borders to which any

1 *student would be refused entrance on the basis of race, national origin, gender,*
 2 *creed, or religion*~~[Negroes will not be admitted on an equal basis with other races,~~
 3 ~~nor shall any Negro citizen of Kentucky be forced to attend any segregated regional~~
 4 ~~institution to obtain instruction in a particular course of study if there is in operation~~
 5 ~~within the Commonwealth at the time an institution that offers the same course of~~
 6 ~~study to students of other races]~~

7 Section 109. KRS 164.580 is amended to read as follows:

8 **(1)** ~~The [University of]~~ Kentucky Community **and Technical** College System is
 9 established. **The Kentucky Community and Technical College System**~~[Each~~
 10 ~~community college]~~ shall provide:

11 **(a)**~~[(1)]~~ A general two (2) year academic curriculum with credits transferable to
 12 two (2) year and four (4) year colleges and universities;

13 **(b)**~~[(2)]~~ Technical and semiprofessional programs of two (2) years or less~~[and]~~

14 **(c)**~~[(3)]~~ Within a two (2) year college curriculum, courses in general education,
 15 including adult education, not necessarily intended for transfer nor technically
 16 oriented; **and**

17 **(d) Services to business and industry and the general public to provide**
 18 **continuing education and customized training for purposes of improving**
 19 **the knowledge and skills of Kentucky workers and citizens in all regions of**
 20 **the state.**

21 **(2) The Kentucky Community and Technical College System shall be responsive to**
 22 **the needs of students, business, and industry in all regions of the Commonwealth**
 23 **with accessible education and training to support the lifelong learning needs of**
 24 **Kentucky citizens in order to:**

25 **(a) Increase the basic academic and literacy skills of adults through adult basic**
 26 **education and remedial education services;**

- 1 (b) Increase the technical skills and professional expertise of Kentucky workers
 2 through associate and technical degrees, diploma, and certificate programs;
- 3 (c) Increase the access for students to complete the prebaccalaureate associate
 4 degree in arts or associate degree in science for ease of transfer to four (4)
 5 year institutions;
- 6 (d) Enhance the relationship of credentials between secondary and
 7 postsecondary programs which permit secondary students to enter programs
 8 through early admission, advanced placement, or dual enrollment;
- 9 (e) Facilitate transfers of credit between certificate, diploma, technical, and
 10 associate degree programs;
- 11 (f) Develop a pool of educated citizens to support the expansion of existing
 12 business and industry and the recruitment of new business and industry;
- 13 (g) Enhance the flexibility and adaptability of Kentucky workers in an ever-
 14 changing and global economy through continuing education and
 15 customized training for business and industry;
- 16 (h) Promote the cultural and economic well-being of the communities
 17 throughout Kentucky; and
- 18 (i) Improve the quality of life for Kentucky's citizens.
- 19 (3) Students attending the University of Kentucky Community College System
 20 Branch under the administration of the board of regents for the Kentucky
 21 Community and Technical College System may pursue three (3) kinds of degree
 22 programs:
- 23 (a) Associate degree programs that were previously approved by the University
 24 of Kentucky board of trustees before the establishment of the Kentucky
 25 Community and Technical College System but that are now under the
 26 academic control of the University of Kentucky Community College System
 27 Branch and board of regents. These programs shall be periodically reviewed

by a process established by the University of Kentucky board of trustees. A report shall be forwarded to the chancellor of the branch, the board of regents, and the board of trustees. If the board of trustees finds that a degree program does not meet its prescribed standards of quality and the institution does not correct the deficiencies within a two (2) year period, the board may recommend to the Council on Postsecondary Education that the program no longer bear the name of the University of Kentucky. The University of Kentucky board of trustees shall confer degrees and award diplomas for these programs;

(b) Associate degree programs that are developed by the Kentucky Community and Technical College System and approved by the board of regents and the Council on Postsecondary Education. The board of trustees shall confer degrees and award diplomas for the approved programs; and

(c) Joint degree programs that are developed between the University of Kentucky Community College System Branch and the Technical Institutions' Branch or other institutions.

(4) The board of regents for the Kentucky Community and Technical College System shall expedite, whenever possible, action on requests for any new technical or associate degree program of a vocational-technical or occupational nature.

(5) Each community college shall have the primary responsibility through its faculty senate and governance structure for determining academic policy and programs that shall be recommended through the chancellor to the president of the Kentucky Community and Technical College System and to the board of regents for approval.

(6) The Technical Institutions' Branch through its faculty and accrediting procedures may develop technical degree programs that shall be considered for approval by the board of regents and the Council on Postsecondary Education.

1 *The board of regents shall confer degrees and award diplomas for these*
 2 *programs.*

3 Section 110. KRS 164.583 is amended to read as follows:

- 4 (1) Each community college of the ~~University of~~ Kentucky Community *and Technical*
 5 College System may offer, within the two (2) year academic curriculum of the
 6 college, any and all lower division academic courses offered for undergraduate credit
 7 at any and all of the four (4) year state-supported colleges and universities.
- 8 (2) All lower division academic courses offered by the community colleges shall be
 9 transferable for academic credit to any and all four (4) year state-supported colleges
 10 and universities, regardless of the number of academic credits earned by any student
 11 at one (1) or more community college.
- 12 (3) Nothing *in this section* ~~herein~~ shall be construed or interpreted to change, reduce,
 13 or otherwise affect the required distribution between lower division and upper
 14 division courses now required for matriculation in an undergraduate program at any
 15 institution of higher education.

16 Section 111. KRS 164.591 is amended to read as follows:

17 A community college *or extension of a community college* shall be maintained in each of
 18 the following locations: Ashland, Carrollton, Cumberland, Elizabethtown, Glasgow,
 19 Henderson, Hopkinsville, Madisonville, Owensboro, *Paducah*, Prestonsburg, Somerset,
 20 Blackey-Hazard, Jefferson County and Mason County. *The University of Kentucky may*
 21 *continue to operate a community college in Lexington, and Western Kentucky*
 22 *University may continue to operate a community college in Bowling Green. Additional*
 23 *extension centers may be established by the board of regents for the Kentucky*
 24 *Community and Technical College System with approval of the Council on*
 25 *Postsecondary Education. New community colleges shall require approval of the*
 26 *General Assembly.*

27 Section 112. KRS 164.593 is amended to read as follows:

(1) The board of regents for the Kentucky Community and Technical College System shall recognize previous actions under prior law.

(2) ~~{trustees of the University of Kentucky, (herein called board) may include }~~ Paducah Junior College may be included in the system provided for by KRS 164.580 upon the concurrence of the board and the board of trustees of Paducah Junior College. Following the concurrence of the two (2) boards, an agreement shall be executed between the board and the board of trustees providing for the conversion of the existing facilities of Paducah Junior College and containing other provisions the parties deem appropriate and desirable. Notwithstanding the provisions of subsection (1) of this section, the Kentucky Community and Technical College System shall become the legal successor in interest to the University of Kentucky for any agreement executed according to the provisions of this subsection prior to the effective date of this Act.

(3)~~{(2)}~~ The agreement required by subsection (2)~~{(1)}~~ may provide for the transfer to the board of any funds accruing to Paducah Junior College as the result of any contract or agreement with any agency or instrumentality of the United States or the Commonwealth of Kentucky including any funds accruing pursuant to KRS 164.027.

(4)~~{(3)}~~ Upon the execution of the agreement required by subsection (2)~~{(1)}~~, any taxes levied under KRS 165.170 or 165.175 and paid to the trustees shall continue to be received by the board of trustees of Paducah Junior College. However, the trustees may in the agreement~~{,}~~ provide for the expenditure of the taxes levied for such purposes as the trustees and the board may mutually agree.

Section 113. KRS 164.594 is amended to read as follows:

(1) The community college in the Big Sandy Valley is designated as Prestonsburg Community College. The service area of Prestonsburg Community College shall include Pike County in its entirety.

1 (2) Course offerings in Pike County shall be expanded as necessary, to respond more
2 fully to the higher and adult educational needs of the citizens of the area.

3 (3) The ~~University of~~ Kentucky Community **and Technical** College System may use
4 private or state funds to purchase, renovate, and otherwise make available physical
5 facilities in the Pike County area conducive to educational purposes.

6 Section 114. KRS 164.595 is amended to read as follows:

7 (1) The board **of regents for the Kentucky Community and Technical College**
8 **System** ~~has the same powers with respect to the community colleges that it has as to~~
9 ~~the University of Kentucky in general. The board~~ shall designate each community
10 college with a name that includes the words "Community College."

11 (2) The board shall encourage and may accept donations of land or funds or both to be
12 used in the acquisition, construction or operation of community colleges. The board
13 may commemorate donations from private persons or corporations with suitable
14 memorials.

15 (3) The board may accept federal grants to be used in the acquisition, construction, or
16 operation of community colleges.

17 Section 115. KRS 164.597 is amended to read as follows:

18 ~~[Upon prior concurrence of the board of trustees of the University of Kentucky and the~~
19 ~~board of regents of the Northern Kentucky University,]~~ The Northern Community College
20 at Covington shall be operated by the board of regents of the Northern Kentucky
21 University and shall **not** ~~no longer~~ be considered part of the ~~University of~~ Kentucky
22 Community **and Technical** College System. The board of regents of the Northern
23 Kentucky University shall provide programs of a community college nature at Northern
24 Community College at Covington comparable to those **community colleges that make up**
25 **the Kentucky Community and Technical College System** ~~[listed for the University of~~
26 ~~Kentucky community college system, as provided in this chapter]~~

27 Section 116. KRS 164.600 is amended to read as follows:

- 1 (1) There shall be a ~~local advisory~~ board of directors for each community college
 2 under the Kentucky Community and Technical College System, except as
 3 provided in KRS 165.160. Each ~~local advisory~~ board of directors shall:
- 4 (a) Select and recommend the candidate for the community college president
 5 from three (3) candidates nominated by the chancellor of the community
 6 college system. The chancellor shall make the final appointment;
- 7 (b) Evaluate the community college president and advise the chancellor of his
 8 or her performance. The chancellor has final authority for the appointment
 9 and termination of the community college president;
- 10 (c) Approve budget requests for recommendation to the Kentucky Community
 11 and Technical College System;
- 12 (d) Adopt and amend an annual operating budget and submit it to the board of
 13 regents of the Kentucky Community and Technical College System for
 14 approval as to the compliance with its guidelines;
- 15 (e) Have the full authority and discretion regarding the use and management
 16 of the budget approved by the board of regents for the Kentucky
 17 Community and Technical College System under Section 99 of this Act;
 18 and
- 19 (f) Approve and implement a strategic plan that is developed in coordination
 20 with local business, industry, and civic leaders; campus constituents, and
 21 other postsecondary institutions in the region and that is consistent with the
 22 strategic agenda of the Council on Postsecondary Education ~~[serve in an~~
 23 ~~advisory capacity to the board and the head of the community college on the~~
 24 ~~operation of the community college]~~
- 25 (2) Each ~~local advisory~~ board of directors shall consist of nine (9) members, seven (7)
 26 of whom shall be appointed by the Governor. The other two (2) ~~local advisory~~
 27 board members shall be one (1) member of the teaching faculty and one (1) member

1 of the student body.~~[After July 13, 1990,]~~ An appointed member's term shall be~~[is]~~
 2 six (6) years~~[-; however, when appointing the initial members of the local advisory~~
 3 ~~boards, the Governor may appoint some members for terms of less than four (4)~~
 4 ~~years].~~

5 (3) The faculty member shall be on the teaching or research faculty of the community
 6 college. He shall be elected by secret ballot of all full-time faculty members of the
 7 community college. Faculty members shall serve for terms of three (3) years and
 8 until their successors are elected and qualified. Faculty members shall be eligible for
 9 reelection, but they shall be ineligible to continue to serve as members of the~~[local~~
 10 ~~advisory]~~ boards if they cease to be members of the teaching staff of the community
 11 college. Elections to fill vacancies shall be for the unexpired term in the same manner
 12 as provided for original election.

13 (4) The student member shall be the president of the student body of the community
 14 college. If the president of the student body is not a full-time student who maintains
 15 permanent residency in the Commonwealth of Kentucky, a special election shall be
 16 held to select a full-time student who does maintain permanent residency in this
 17 Commonwealth as the student member.

18 (5) ~~The[Local advisory board]~~ members of the board of directors shall receive no
 19 compensation for their services, but shall be paid for their actual and necessary
 20 expenses.

21 (6) The board of regents of the Kentucky Community and Technical College System
 22 may extend this type of local governance authority to each postsecondary
 23 technical institution under its control, subject to review and approval by the
 24 Council on Postsecondary Education.

25 Section 117. KRS 164.740 is amended to read as follows:

26 As used in KRS 164.740 to 164.785, the terms listed below shall have the following
 27 meanings:

- 1 (1) "Authority" means the Kentucky Higher Education Assistance Authority.
- 2 (2) "Board" means the board of directors of the Kentucky Higher Education Assistance
3 Authority.
- 4 (3) "Business school" means any business school which is accredited by the Association
5 of Independent Colleges and Schools, the commission for business schools, or any
6 successor, and which provides a program of study leading to the granting of a
7 postsecondary degree or diploma.
- 8 (4) "College" means any postsecondary educational institution of higher learning which
9 is accredited by the Southern Association of Colleges and Schools, the commission
10 on colleges, or any successor, and which provides a program of study leading to the
11 granting of a postsecondary degree or diploma.
- 12 (5) "Eligible institution" means any educational institution or class of institutions
13 designated pursuant to the federal act or this chapter as eligible to participate in
14 authority-administered programs, provided that no right of participation shall be
15 deemed vested pursuant to this subsection in any institution, including, but not by
16 way of limitation, any college, school of nursing, vocational school, or business
17 school.
- 18 (6) "Eligible lender" means any entity described as eligible pursuant to the federal act to
19 make or originate insured student loans, provided that no right of participation shall
20 be deemed vested hereby in any lender.
- 21 (7) "Eligible student" means any student enrolled or accepted for enrollment at a
22 participating institution, meeting the criteria established by the federal act and this
23 chapter for the various authority administered programs.
- 24 (8) "Endorser" means a person who signs a student loan promissory note as an
25 accommodation party, in the manner of KRS 355.3-415, and is secondarily liable for
26 payment on such note.

- 1 (9) "Federal Act" means the Higher Education Act of 1965, Public Law 89-329, as
2 amended.
- 3 (10) "Grant" means a gift of money, tuition discount, waiver of tuition and fees, or other
4 monetary award that requires neither employment nor repayment, except under
5 conditions prescribed by the board, and is based on demonstrated financial need and
6 such other terms and conditions as the board may prescribe.
- 7 (11) "Honorary scholarship" means a certificate of merit or achievement or other
8 appropriate document which may be issued by the board to students in recognition
9 of superior academic ability or achievement or a special talent.
- 10 (12) "Insured student loan" means a loan to an eligible borrower, who is qualified under
11 the federal act, on which the payment of principal and interest is insured as
12 evidenced by a loan guarantee issued by the authority and reinsured by the secretary
13 under the federal act.
- 14 (13) "Loan" means an advance of money, to be used exclusively for payment of
15 educational expenses, evidenced by a promissory note or similar instrument requiring
16 repayment under specified conditions.
- 17 (14) "Loan guarantee" means the certificate, document, or endorsement issued by the
18 authority as evidence of insurance of a loan as to both principal and interest and of
19 reinsurance by the secretary under the federal act.
- 20 (15) "Participating institution" means any eligible institution, to the extent that it offers an
21 eligible program of study, having a contract in force with the authority, if required by
22 the authority, on such terms as the authority may deem necessary or appropriate to
23 the administration of its programs.
- 24 (16) "Participating lender" means any eligible lender, including the authority and the
25 Kentucky Higher Education Loan Corporation, which has in force a contract with
26 the authority providing for loan guarantee to be issued by the authority under the
27 federal act and this chapter.

- 1 (17) "Penal institution" means any penitentiary, detention facility, adult correctional
 2 facility, jail, or other similar institution operated by the state, local, or federal
 3 government or by private business.
- 4 (18) "Recognition award" means an advance of money to or on behalf of a student in
 5 recognition of superior academic ability, achievement or special talent.
- 6 (19) "Scholarship" means a gift of money to provide an incentive for fulfillment of a
 7 particular public purpose which may be based on financial need and superior
 8 academic ability or achievement or a special talent and such other terms and
 9 conditions as the board may prescribe.
- 10 (20) "School of nursing" means any training program in the field of nursing, including one
 11 regarding nurse aides, which is accredited by the Kentucky Board of Nursing
 12 Education and Nurse Registration, or any successor, and which provides a program
 13 of study leading to the granting of a postsecondary degree or diploma.
- 14 (21) "Secretary" means the United States Secretary of Education.
- 15 (22) "Vocational school" means any public vocational school, technical institution, or
 16 technology center which is managed and controlled by the board of regents for the
 17 Kentucky Community and Technical System ~~{State Board for Adult and Technical~~
 18 ~~Education}~~ and which provides a course of study leading to the granting of a
 19 postsecondary certificate or diploma, or a vocational technical school accredited by
 20 the national association of trade and technical schools, or any successor, which
 21 provides a program of study leading to the granting of a postsecondary degree,
 22 diploma, or certificate.
- 23 (23) "Work study" means an award of money disbursed by the board at specified intervals
 24 to students, or as reimbursement to employers of students, who provide needed
 25 services for a specified number of hours in a capacity approved by the board.
- 26 Section 118. KRS 164.746 is amended to read as follows:

- 1 (1) The authority shall be governed, all of its powers shall be exercised, and its duties
2 and functions shall be performed by a board of directors. The board shall consist of
3 seven (7) voting members who shall be appointed by the Governor. In addition, the
4 executive director of the Council on Postsecondary~~Higher~~ Education and the
5 secretary of the Department of Finance shall serve as nonvoting ex officio members.
6 The term of office of appointed members shall be four (4) years. Each member shall
7 serve for the term for which he is appointed and until his successor is appointed.
- 8 (2) Appointments to fill vacancies on the board shall be made in the same manner as
9 regular appointments. The person appointed shall hold the position for the unexpired
10 portion of the term only.
- 11 (3) The board shall elect from its voting membership a chairman and chairman-elect who
12 shall each serve for a term of one (1) year. At the conclusion of the chairman's term
13 of office, the chairman-elect shall become chairman for the succeeding year and the
14 board shall elect from its voting membership a new chairman-elect.
- 15 (4) Board members shall receive compensation for their services, in the amount of sixty-
16 five dollars (\$65) per day, and may be reimbursed for actual and necessary expenses
17 incurred in the performance of their duties under KRS 164.740 to 164.785.
- 18 (5) The board shall provide for the holding of regular meetings and special meetings.
19 (a) A majority of the voting members shall constitute a quorum for the transaction
20 of any business, special meetings shall be called by the chairman in accordance
21 with KRS 61.823, and either the chairman or the chairman-elect shall be
22 present for the transaction of any business.
- 23 (b) In lieu of personal attendance by members of the board of directors at the same
24 location, the board of directors may conduct meetings by teleconference or
25 other available technological means suitable for conducting its business.
26 Meetings of the board shall be open and accessible to the public in accordance

1 with KRS 61.805 to 61.850, and any alternate method of conducting a meeting
2 in lieu of personal attendance shall ensure public access.

3 (6) The board shall adopt bylaws and policies governing its internal affairs and the
4 conduct of its business, and shall adopt administrative regulations pursuant to KRS
5 Chapter 13A, not inconsistent with law, in connection with the administration of the
6 authority's programs and the performance of its functions and duties.

7 (7) The board may:

8 (a) Appoint such officers and employees as necessary and may fix their
9 compensation, and shall prescribe their duties notwithstanding personnel limits
10 established by KRS 18A.010 or the biennial budget and its related documents;
11 and

12 (b) Adopt the provisions of KRS 45A.345 to ~~4A~~.460, pursuant to KRS 45A.343.
13 Section 119. KRS 164.753 is amended to read as follows:

14 (1) In the instance of loans the rules and regulations adopted by the board may include,
15 but not be limited to, those which:

16 (a) Are necessary to qualify the authority as an insured lender under the Higher
17 Education Act of 1965, as amended;

18 (b) Require that loans be made only to those eligible students who are unable to
19 secure comparable loans from private lenders; and

20 (c) Are necessary to qualify the authority as a lender under the Public Health
21 Service Act, as amended.

22 (2) In the instance of insured student loans and loan guarantees the rules and regulations
23 adopted by the board shall include, but not be limited to, those which are necessary
24 to qualify the authority to insure loans under the federal act, as amended, and
25 following such qualification to issue loan guarantees to participating lenders on any
26 loans advanced by such lenders to eligible students attending or planning to attend
27 any participating institution, except that the total amount of all insured student loans

1 that may be guaranteed by the authority shall not at any time exceed fifteen (15)
 2 times the loan guarantee fund balance. In determining the total amount of insured
 3 student loans that may be guaranteed by the authority there shall be excluded from
 4 the computation of required loan guarantee fund balances eighty percent (80%) of
 5 the amount of insured student loans which are reinsured with the United States or
 6 any agency thereof pursuant to the federal act.

7 (3) In the instance of scholarships the rules and regulations adopted by the board shall
 8 include, but not be limited to, those which:

- 9 (a) Specify ways in which superior academic achievement or ability or special
 10 talents will be identified and measured;
- 11 (b) Ensure that the amount of scholarship to a student attending or planning to
 12 attend a participating institution will not exceed the financial need of the
 13 student as determined in accordance with paragraph (f) of this subsection, or
 14 the maximum scholarship as established by the board, whichever is less;
- 15 (c) Restrict scholarships to persons who are classified as resident students under
 16 the rules and regulations of the Council on Postsecondary~~Higher~~ Education
 17 and are not planning to enroll or are not enrolled in a program of study leading
 18 to a certificate, diploma or degree in theology, divinity or religious education;
- 19 (d) Ensure that scholarships are awarded only to eligible students who have
 20 applied for such federal, state or institutional student financial assistance
 21 programs as the authority may require;
- 22 (e) Ensure that scholarships are awarded only to eligible students who are
 23 planning to enroll, accepted for enrollment, or are enrolled as full-time students
 24 in a participating institution; and
- 25 (f) Ensure, by such needs analysis as the authority may require, that the person is
 26 in need of the assistance in order to enroll in or complete an eligible program
 27 of study as defined by the board.

- 1 (4) In the instance of grants the rules and regulations adopted by the board shall include,
 2 but not be limited to, those which:
- 3 (a) Ensure that the amount of a grant to a student will not exceed the financial
 4 need of the student as determined in accordance with paragraph (e) of this
 5 subsection or the maximum grant as established by the board, whichever is
 6 less;
 - 7 (b) Restrict grants to persons who are classified as resident students under the
 8 rules and regulations of the Council on Postsecondary~~Higher~~ Education and
 9 are not planning to enroll or are not enrolled in a program of study leading to a
 10 certificate, diploma or degree in theology, divinity or religious education;
 - 11 (c) Ensure that grants are awarded only to eligible students who have applied for
 12 such federal, state, or institutional student financial assistance programs as the
 13 authority may require;
 - 14 (d) Ensure that grants are awarded only to eligible students who are planning to
 15 enroll, accepted for enrollment, or are enrolled as full-time students in a
 16 participating institution; and
 - 17 (e) Ensure, by such needs analysis as the authority may require, that grants be
 18 made only to students who have insufficient financial resources to enroll in or
 19 complete an eligible program of study as defined by the board.
- 20 (5) Funds appropriated to the financial assistance program established by KRS 164.780
 21 and 164.785 shall be administered by the board in accordance with the provisions of
 22 KRS 164.780 and 164.785.
- 23 (6) In the instance of work-study payments, rules and regulations adopted by the board
 24 shall include, but not be limited to, those which require that:
- 25 (a) The employment opportunity available for the student will not interfere with
 26 the student's normal progress toward a degree, diploma or certificate;

1 (b) Contracts to promote increased employment opportunities for eligible students
 2 will not result in the displacement of employed workers or impair existing
 3 contracts for services; and

4 (c) The work-study payment will not exceed the financial need of the student or
 5 the maximum payment as established by the board, whichever is less.

6 Section 120. KRS 164.785 is amended to read as follows:

7 (1) The State of Kentucky shall grant an amount as provided in KRS 164.780 and this
 8 section to any applicant who meets the following qualifications:

9 (a) Is a Kentucky resident as defined by the Kentucky Council on
 10 Postsecondary~~Higher~~ Education;

11 (b) Has been accepted by or is enrolled as a full time student in a Kentucky
 12 independent~~[-nonprofit]~~ college or university which is accredited by the
 13 Southern Association of Colleges and Schools and whose institutional
 14 programs are not comprised solely of a sectarian instruction;

15 (c) Is not enrolled in a program of study leading to a degree in theology, divinity,
 16 or religious education; and

17 (d) Has not previously attended college or university for more than seven (7)
 18 semesters or the equivalent.

19 (2) The amount of the tuition grant to be paid to a student each semester, or appropriate
 20 academic term, shall be determined by the Kentucky Higher Education Assistance
 21 Authority.

22 (3) The maximum amount shall not exceed fifty percent (50%) of the average state
 23 appropriation per full-time equivalent student enrolled in all public institutions of
 24 higher education. Such tuition grants are to be calculated annually by the Kentucky
 25 Higher Education Assistance Authority.

26 (4) The need of each applicant shall be determined by acceptable need analysis such as
 27 the parents' confidential statement of the college scholarship service, and such other

1 analyses as the authority may determine, subject to the approval by the U.S.
2 Secretary of Education.

- 3 (5) An adjustment shall be made in the tuition grant of any student awarded a
4 scholarship from any other source provided the combination of grants and awards
5 exceeds the calculated need of the student.

6 Section 121. KRS 164.810 is amended to read as follows:

- 7 (1) As used in KRS 164.810 to 164.870, the following terms shall have, unless the
8 context shall otherwise indicate, the following meanings:

9 (a) "University of Louisville" means the university which is situated in a city of the
10 first class, and which has heretofore constituted a municipal university within
11 the meaning and application of KRS 165.010, et seq.;

12 (b) "Council" means the Council on Postsecondary~~Higher~~ Education in
13 Kentucky.

- 14 (2) Consistent with the provisions of KRS 164.026 and Chapter 239 of the 1968
15 Kentucky Acts, the University of Louisville shall be maintained as a state institution
16 effective July 1, 1970, subject to its qualification to receive the benefits of such
17 status in the manner set forth in subsection (3) of this section.

- 18 (3) The University of Louisville, having been chartered by Chapter 137, Acts of 1845-6,
19 approved February 7, 1846, effective in accordance with its terms on March 15,
20 1846; having become subject to the laws of the Commonwealth generally applicable
21 to corporations of the same category according to the import of subsection
22 seventeen of Section 59 of the present Constitution of the Commonwealth; and
23 having duly filed in the office of the Secretary of State its acceptance of the present
24 Constitution of the Commonwealth in accordance with Section 190 thereof; may
25 qualify to receive the benefits of its status as a state institution, as provided in KRS
26 164.810 to 164.870, by action of its board of trustees in adopting and causing to be
27 filed for public record such proceedings as are required by law, amending its charter

or articles of incorporation in such manner as to conform to the provisions of KRS 164.810 to 164.870.

Section 122. KRS 164.815 is amended to read as follows:

(1) The University of Louisville shall provide:

(a) Upon approval of the Council on Postsecondary~~Higher~~ Education, associate and baccalaureate degree programs of instruction;

(b) Upon approval of the Council on Postsecondary~~Higher~~ Education, masters degree programs, specialist degrees above the masters degree level, doctoral degree programs, and joint doctoral programs in cooperation with other state-supported institutions of higher education;

(c) Upon approval of the Council on Postsecondary~~Higher~~ Education, professional degree programs including medicine, dentistry, law, engineering, and social professions.

(2) The University of Louisville is authorized to provide programs of a community college nature in its own community comparable to those listed for the community college system as provided in this chapter.

(3) The University of Louisville shall continue to be a principal university for the conduct of research and service programs without geographical limitation but subject to the implied limitation of KRS 164.125(2).

Section 123. KRS 164.821 is amended to read as follows:

(1) The government of the University of Louisville is vested in a board of trustees appointed for a term set by law pursuant to Section 23 of the Constitution of Kentucky. The board shall consist of seventeen (17) members appointed by the Governor; one (1) member of the teaching faculty of the University of Louisville who shall be the chief executive of the ranking unit of faculty government; a member of the permanent staff of the University of Louisville who shall be the chief executive

of the staff senate; and a student member who shall be the president of the student body during the appropriate academic year.

(a) All persons appointed after the effective date of this Act shall be required to attend and complete an orientation program prescribed by the council under Section 72 of this Act as a prerequisite to their appointment. At the end of the orientation session, members shall sign a statement to affirm their understanding of the state strategic agenda for postsecondary education and their understanding of the mission of the institution.

(b) Board members may be removed by the Governor for cause, which shall include neglect of duty or malfeasance in office, after being afforded a hearing with counsel before the Council on Postsecondary Education and a finding of fact by the council.

(c) No appointed member shall serve more than two (2) consecutive terms.

(2) If the student member does not maintain his position as student body president or his status as a full-time student at any time during that academic year a special election shall be held to select a full-time student member. The student member shall serve for a term of one (1) year beginning with the first meeting of the fiscal year which contains that academic year.

(3) The faculty member, staff member, and student body member shall cease to be eligible for membership on the board of trustees upon termination of their respective relationships with the university, and vacancies occurring for this reason shall be filled for the remainder of the respective terms in the same manner. The seventeen (17) citizen members of the board shall annually elect one (1) of their number to serve as chairperson of the board.

(4) The gubernatorial appointments shall serve a term of six (6) years and until their successors are appointed and qualified, except the initial terms shall be as follows:

(a) Two (2) members shall serve one (1) year terms;

- 1 (b) Three (3) members shall serve two (2) year terms;
- 2 (c) Three (3) members shall serve three (3) year terms, one (1) of whom shall be a
- 3 graduate of the university, selected from a list of three (3) names submitted by
- 4 the alumni of the university in the manner and according to rules prescribed by
- 5 the board of trustees;
- 6 (d) Three (3) members shall serve four (4) year terms;
- 7 (e) Three (3) members shall serve five (5) year terms; and
- 8 (f) Three (3) members shall serve six (6) year terms, one (1) of whom shall be a
- 9 graduate of the university, selected as under paragraph (c) of this subsection.
- 10 (5) The Governor shall make his at-large appointments so as to divide the citizen
- 11 representation upon the board to reflect proportional representation of the two (2)
- 12 leading political parties in the Commonwealth based on the state's voter registration
- 13 and shall reflect no less than proportional representation of the minority racial
- 14 composition of the Commonwealth. The membership may include one (1) graduate
- 15 of the institution who resides outside the Commonwealth, but he shall not be
- 16 reimbursed for out-of-state travel.
- 17 (6) Vacancies among the citizen members of the board occurring by death, resignation,
- 18 or any other cause shall be filled by appointments made by the Governor for the
- 19 expiration of the term, subject to the qualifications set forth in this section.
- 20 (7) No member of the teaching or administrative staff of the university shall be directly
- 21 or indirectly interested in any contract with the university for the sale of property,
- 22 materials, supplies, equipment, or services, with the exception of compensation to
- 23 the faculty, staff and student members.
- 24 Section 124. KRS 164.830 is amended to read as follows:
- 25 (1) The board of trustees of the University of Louisville shall constitute a body
- 26 corporate, with the usual corporate powers, and shall possess all the authorities,
- 27 immunities, rights, privileges, and franchises usually attaching to the governing

bodies of Kentucky public higher educational institutions. Powers of the board shall include the following:

- (a) Appointment of a president, all faculty members, and other personnel and determination of the compensation, duties, and official relations of each. No relative of a board of trustee member shall be employed by the university.
- (b) Suspension or removal of the president, officers, faculty, agents, or other personnel that it is authorized to appoint, except that no president, professor, or teacher shall be removed except for incompetence, neglect of or refusal to perform his duty, or for immoral conduct and that ~~the~~^[such] removal shall be made in accordance with procedures established by law for state institutions.
- (c) Election of a vice chairperson and ~~any~~^[such] other officers as it deems wise, including the annual election of a ~~six (6)~~^[five (5)] member executive committee which shall have the powers that the board delegates to it and shall operate under ~~the~~^[such] rules~~[-as]~~ the board shall establish under its authority to make ~~[such]~~ bylaws, rules, and regulations consistent with this chapter. *The committee shall have one (1) member representing the students, faculty, and nonteaching personnel with the group alternating each year. The initial appointment to the executive committee after the effective date of this Act shall be a faculty member, to be followed by a student and a nonteaching personnel, respectively.*
- (d) Receipt, retention, and administration, on behalf of the university, subject to the conditions attached, all revenues accruing from endowments, appropriations, allotments, grants or bequests, and all types of property.
- (e) Requirement of~~[-such]~~ reports from the president, officers, faculty, and employees as it deems necessary and proper from time to time.

(f) Granting degrees to graduates of the university, prescription of conditions upon which postgraduate honors may be obtained, and conferment of honorary degrees.

(g) The board shall periodically evaluate the institution's progress in implementing its missions, goals, and objectives to conform to the state strategic agenda for postsecondary education. Officers and officials shall be held accountable for the status of the institution's progress.

(2) The provisions of KRS 164.030, 164.200, and 164.410, shall be applicable to the University of Louisville except where inconsistent with the purposes of KRS 164.810 to 164.870.

Section 125. KRS 164.915 is amended to read as follows:

~~The~~~~[By July 1, 1991, the]~~ Colleges of Medicine at the University of Kentucky and the University of Louisville shall submit to the Council on Postsecondary~~[Higher]~~ Education a joint plan which defines an optional course of medical education for family practice and general practice physicians in a period of six (6) years following completion of secondary school. Family practice residency programs shall be completed in the two (2) years subsequent to the completion of medical education.

Section 126. KRS 164.927 is amended to read as follows:

The University of Kentucky and the University of Louisville, and their affiliated programs are hereby authorized to increase the number of residency positions for medical school graduates in primary care disciplines from the fiscal 1976 level by a total of seventy-six (76) additional positions during the 1977-78 biennium. These new positions shall be established in the following manner:

(1) For the fiscal year 1977 there shall be established twenty-eight (28) new positions; for fiscal year 1978 there shall be forty-eight (48) new positions.

1 (2) To provide adequate faculty supervision for these new residency positions, one (1)
 2 faculty position (1 FTE) is hereby authorized for each additional four (4) new
 3 residency positions established under the provisions of KRS 164.925 to 164.933.

4 (3) The number of the residency positions to be established at the University of
 5 Kentucky and at the University of Louisville shall be determined by the Council on
 6 Postsecondary~~Higher~~ Education, using the policies and procedures for determining
 7 the allocation of these new residency positions as provided in KRS 164.929.

8 Section 127. KRS 164.929 is amended to read as follows:

9 (1) All new residency positions shall be sponsored by the University of Kentucky or the
 10 University of Louisville. The residency positions created by KRS 164.927 shall be
 11 served in sites approved by the appropriate specialty board for certification and by
 12 the Council on Postsecondary~~Higher~~ Education.

13 (2) Funding priority shall be given to programs in which all or a portion of the residency
 14 occurs in sites away from both the University of Kentucky and the University of
 15 Louisville.

16 (3) Each individual serving a residency under KRS 164.927 shall, within the total period
 17 of residency, undertake a minimum of three (3) months education in a community
 18 facility in Kentucky outside the counties of Fayette and Jefferson, or in any
 19 institution serving a medically underserved community as designated by the United
 20 States Department of Health, Education and Welfare, subject to the approval of the
 21 certifying board in each specialty, provided however that not more than twenty-five
 22 percent (25%) of the individuals from each university funded under this section shall
 23 be permitted to satisfy the three (3) month requirement in a medically underserved
 24 area in the counties of Fayette and Jefferson.

25 (4) The University of Kentucky and the University of Louisville shall recommend
 26 policies and procedures for determining the allocation of new residency positions for

1 approval by the Council on Postsecondary~~Higher~~ Education using the following
2 criteria:

- 3 (a) The available or expected number and types of qualified faculty necessary for
4 the proper degree of supervision and teaching;
- 5 (b) The scope and volume of patient care;
- 6 (c) The amount of available physical facilities;
- 7 (d) The current number and types of residency positions offered at each university;
- 8 (e) Regional needs for the manpower trained under the provisions of KRS
9 164.927 to 164.933;
- 10 (f) The extent of involvement in education in primary care in ambulatory care
11 settings; and
- 12 (g) Any other criteria which may be developed by the University of Kentucky and
13 the University of Louisville and accepted by the Council on
14 Postsecondary~~Higher~~ Education.

15 Section 128. KRS 164.933 is amended to read as follows:

16 The Council on Postsecondary~~Higher~~ Education shall coordinate the activities of the
17 participating institutions, as described in KRS 164.925 to 164.931, to insure a
18 comprehensive program for training individuals for the delivery of primary care in the
19 Commonwealth.

20 Section 129. KRS 164.937 is amended to read as follows:

21 The University of Kentucky shall develop a Center of Excellence for Rural Health Care to
22 collect and maintain statistical and other information relating to health manpower needs,
23 health care delivery research, health policy, and health problems unique to rural
24 populations and shall:

- 25 (1) Coordinate clinical rotations for health science students;
- 26 (2) Maintain the rural health science library;

- 1 (3) Establish a family practice residency program at a regional public medical center
- 2 with decentralized clinical practice sites;
- 3 (4) Develop an accelerated program to enable registered nurses with associate degrees
- 4 to pursue a masters degree in nursing in locations on and off affiliated college
- 5 campuses;
- 6 (5) Coordinate the placement of emergency medicine clinical residents in rural hospitals;
- 7 (6) Implement the provisions of KRS 164.935;
- 8 (7) Maintain clinical training sites for students in the health professions;
- 9 (8) Establish and coordinate associate degree and bachelor degree programs for the
- 10 education of physical therapists in a rural area;
- 11 (9) Establish and coordinate associate degree and bachelor degree programs in
- 12 laboratory technology in a rural area; and
- 13 (10) Provide continuing education for health care professionals.
- 14 The University of Kentucky shall report to the Council on Postsecondary~~[Higher]~~
- 15 Education and the Legislative Research Commission a detailed, audited statement of
- 16 expenditures for each program function in the Center of Excellence for Rural Health Care
- 17 by September 1 of each year which enumerates expenditures for the preceding fiscal year.

18 Section 130. KRS 164.947 is amended to read as follows:

- 19 (1) The Council on Postsecondary~~[Higher]~~ Education by regulation shall adopt
- 20 standards and procedures for the licensing of colleges to ensure that the programs of
- 21 preparation are comparable to the generally accepted standards of collegiate
- 22 instruction with respect to faculty, curriculum, facilities, and student cost and that
- 23 there is full disclosure with respect to the philosophy and purposes of the institutions
- 24 and their capacity to fulfill these objectives.
- 25 (2) Nothing contained in KRS 164.945 to 164.947 is intended in any way nor shall be
- 26 construed to regulate the stated purpose of a nonpublic college or to restrict
- 27 religious instruction or training in a nonpublic college.

1 (3) All colleges as defined in KRS 164.945~~[herein]~~ shall be required to hold a license
 2 issued by the executive director of the Council on Higher Education or his
 3 successor, under the provisions of KRS 164.945 to 164.947 and under the
 4 regulations of the Council on Higher Education, or its successor. Within ninety (90)
 5 days of July 13, 1990, all colleges shall be required to hold licenses.

6 (4) The designated use of the title "college" or "university" in combination with any
 7 series of letters, numbers, or words shall be restricted to the institutions licensed
 8 under KRS 164.945 to 164.947 except that new branches, divisions, or additions to
 9 existing institutions shall be licensed.

10 Section 131. KRS 164.981 is amended to read as follows:

11 As used in KRS 164.981 to 164.9819:

12 (1) "Autism" means a developmental disability significantly affecting verbal and
 13 nonverbal communication and social interaction, generally evident before age three
 14 (3), that adversely affects educational performance. Characteristics of autism
 15 include:

- 16 (a) Irregularity and impairment in communication;
- 17 (b) Engagement in repetitive activity and stereotyped movement;
- 18 (c) Resistance to environmental change or change in daily routine; and
- 19 (d) Unusual responses to sensory experience.

20 The term does not include children with characteristics of an emotional-behavioral
 21 disability as defined in KRS 157.200;

22 (2) "Council" means the Council on Postsecondary~~[Higher]~~ Education in Kentucky;

23 (3) "Center" means the autism training center;

24 (4) "Client" means a person with the primary diagnosis of autism or autistic-like
 25 behavior; and

1 (5) "Expenses" means those reasonable and customary expenditures related to training
 2 and treatment of eligible clients as defined in administrative regulations promulgated
 3 by the council pursuant to KRS 13A.

4 Section 132. KRS 164.9811 is amended to read as follows:

- 5 (1) The Council on Postsecondary~~[Higher]~~ Education in Kentucky is authorized to
 6 operate a state autism training center, including:
- 7 (a) The acquisition by purchase, lease, gift, or other~~wa~~ of necessary lands;
 - 8 (b) The construction of necessary buildings;
 - 9 (c) The expansion, remodeling, altering, or equipping of necessary buildings; and
 - 10 (d) The making of contracts by the council or its designee with any nonprofit
 11 institution, or any state, county, or local agency for the equipment, expenses,
 12 compensation of personnel, operation, and maintenance of any facility of an
 13 agency or institution used for the purposes of KRS 164.981 to 164.9819.
- 14 (2) The council shall select and contract with a public institution of higher education to
 15 carry out the provisions of KRS 164.981 to 164.9819.

16 Section 133. KRS 164A.050 is amended to read as follows:

- 17 (1) There is hereby created and established an independent de jure municipal corporation
 18 and political subdivision of the Commonwealth of Kentucky which shall be a body
 19 corporate and politic to be known and identified as the Kentucky Higher Education
 20 Student Loan Corporation.
- 21 (2) The Kentucky Higher Education Student Loan Corporation is created and
 22 established as an independent de jure municipal corporation and political subdivision
 23 of the Commonwealth of Kentucky to perform essential governmental and public
 24 functions and purposes in improving and otherwise promoting the educational
 25 opportunities of the citizens and inhabitants of the Commonwealth of Kentucky and
 26 other qualified students by a program of financing, making, and purchasing of
 27 insured student loans.

- 1 (3) The corporation shall be governed by a board of directors consisting of seven (7)
2 members, four (4) of whom shall be chosen from the general public residing in the
3 Commonwealth of Kentucky and three (3) of whom shall be the chairman of the
4 Council on Postsecondary~~Higher~~ Education, the secretary of the Finance and
5 Administration Cabinet, and the chairman of the Kentucky Higher Education
6 Assistance Authority.
- 7 (4) The Governor shall appoint the four (4) directors from the general public to take
8 office and to exercise all powers thereof immediately. Of the new members of the
9 corporation so appointed, two (2) shall continue in office for a term of four (4)
10 years, and two (2) shall continue in office for a term of three (3) years. All
11 succeeding terms shall be for a period of four (4) years each. Each director shall
12 serve for the appointed term and until a successor has been appointed and has duly
13 qualified.
- 14 (5) In the event of a vacancy, the Governor may appoint a replacement director who
15 shall hold office during the remainder of the term so vacated.
- 16 (6) The Governor may remove any director from the general public in case of
17 incompetency, neglect of duties, gross immorality, or malfeasance in office; and may
18 thereupon declare such office vacant and may appoint a person to fill such vacancy
19 as provided in other cases of vacancy.
- 20 (7) The board shall elect from its voting membership a chairman, secretary, and
21 treasurer. The executive director of the Kentucky Higher Education Assistance
22 Authority shall serve as executive director of the corporation.
- 23 (8) The executive director shall administer, manage, and direct the affairs and business
24 of the corporation, subject to the policies, control, and direction of the board of
25 directors of the corporation. The secretary of the corporation shall keep a record of
26 the proceedings of the corporation and shall be custodian of all books, documents,
27 and papers filed with the corporation, the minute book or journal of the corporation,

1 and its official seal. The secretary may copy all minutes and other records and
2 documents of the corporation and give certificates under the official seal of the
3 corporation to the effect that such copies are true copies and all persons dealing with
4 the corporation may rely upon such certificates.

5 (9) A majority of the board of directors of the corporation shall constitute a quorum for
6 the purpose of conducting its business and exercising its powers and for all other
7 purposes notwithstanding the existence of any vacancies in respect of the board of
8 directors.

9 (10) Official actions may be taken by the corporation at meetings duly called by the
10 chairman upon three (3) days' written notice to each director or upon the
11 concurrence of at least a majority of the directors.

12 (11) Directors shall receive no compensation for their services but shall be entitled to
13 payment of any reasonable and necessary expense actually incurred in discharging
14 their duties under this chapter.

15 (12) The Kentucky Higher Education Assistance Authority, the "guarantee agency", shall
16 provide technical, clerical, and administrative assistance to the corporation, together
17 with necessary office space and personnel, and shall assist the corporation in all ways
18 by the performance of any and all actions which may be useful or beneficial to the
19 corporation in the performance of its public functions as an independent de jure
20 municipal corporation and political subdivision of the Commonwealth of Kentucky
21 charged with the responsibility of financing, making, and purchasing of insured
22 student loans. The corporation shall enter into such contracts with the guarantee
23 agency as shall be proper and appropriate in respect of such services which may
24 include, but not by way of limitation, servicing and collection of insured student
25 loans.

26 Section 134. KRS 164A.550 is amended to read as follows:

27 As used in KRS 164A.555 to 164A.630 unless the context otherwise requires:

- 1 (1) "Governing board" means the board of trustees or board of regents constituting the
 2 corporate bodies established by KRS 164.160 and 164.310 for the purpose of
 3 governing universities and colleges and technical institutions
- 4 (2) "Institutions" means all public supported postsecondary educational institutions ~~of~~
 5 ~~higher education~~ in Kentucky recognized in KRS 164.100, 164.290, Section 109 of
 6 this Act, or 164.810(1)(a).
- 7 (3) "Affiliated corporation" means a corporate entity which is not a public agency and
 8 which is organized pursuant to the provisions of KRS Chapter 273 over which an
 9 institution exercises effective control, by means of appointments to its board of
 10 directors, and which could not exist or effectively operate in the absence of
 11 substantial assistance from an institution.
- 12 (4) "Depository bank" means any bank so designated by the Treasurer of the
 13 Commonwealth as appropriate for receiving public moneys.
- 14 Section 135. KRS 164A.560 is amended to read as follows:
- 15 (1) The governing boards of the postsecondary educational ~~public~~ institutions ~~of~~
 16 ~~higher education~~ electing to perform in accordance with KRS 164A.555 to
 17 164A.630 regarding the acquisition of funds, accounting, purchasing, capital
 18 construction and affiliated corporations shall do so by regulation. The responsibility
 19 for this election is vested with the governing boards, any other statute to the
 20 contrary notwithstanding. The governing board may delegate these responsibilities
 21 by regulation to appropriate officials of the institution. The anticipated investment
 22 earnings which have been credited to the general fund and the anticipated investment
 23 earnings on funds in the capital construction account, excluding revenue bonds, for
 24 fiscal years 1982-83 and 1983-84 may be deducted from the respective institution's
 25 trust and agency funds on deposit prior to the issuance of a check or transfer to the
 26 governing board.

1 (2) The governing boards of institutions may elect to receive, deposit, collect, retain,
 2 invest, disburse, and account for all funds received or due from any source including,
 3 but not limited to, state and federal appropriations for the support or maintenance of
 4 the general operations or special purpose activities of such institutions. In the event
 5 of such election by the governing board:

6 (a) The treasurer of the *institution*~~[university]~~ shall deposit on a timely basis all
 7 tuition fees, fees for room and board, incidental fees, contributions, gifts,
 8 donations, devises, state and federal appropriations, moneys received from
 9 sales and services, admittance fees, and all other moneys received from any
 10 source, in a depository bank or banks designated by the governing board.

11 (b) The governing board shall promulgate rules and regulations limiting
 12 disbursements to the amounts and for the purposes for which state
 13 appropriations have been made, or for which other moneys have been received.
 14 All disbursements shall be recorded in a system of accounts as set forth in KRS
 15 164A.555 to 164A.630. The treasurer of each institution shall prescribe forms
 16 to be used with the system of accounts, and no treasurer shall approve any
 17 disbursement document unless he determines that the disbursement is to satisfy
 18 a liability of the institution incurred for authorized purposes and that the
 19 disbursement is to be made from the unexpended balance of a proper
 20 allotment.

21 Section 136. KRS 164A.565 is amended to read as follows:

22 (1) The governing board of each *postsecondary educational institution*~~[university]~~
 23 making the election authorized in KRS 164A.560 shall as a condition of such
 24 election install an accrual basis accounting system conforming with generally
 25 accepted accounting principles and procedures established for colleges and
 26 universities by the National Association of College and University Business Officers

1 and the American Institute of Certified Public Accountants. The accounting system
2 shall include but not be limited to the following fund structure:

3 (a) An operating fund group (unrestricted current funds), consisting of all moneys
4 not otherwise restricted, available for general operations, including state
5 appropriations, federal funds, and unrestricted institutional receipts. Separate
6 accounting fund groups may be established for auxiliary enterprises, athletics,
7 hospitals, and other similar operations;

8 (b) A restricted fund group consisting of appropriations and other receipts
9 restricted as to purpose which shall not be included in the operating fund;

10 (c) A loan fund group consisting of gifts, grants, and other funds provided and
11 available for loans to students;

12 (d) An endowment fund group consisting of funds, the principal of which is not
13 currently expendable;

14 (e) An agency fund group consisting of resources held by the institutions as
15 custodian or fiscal agent for individual students, faculty, staff members and
16 organizations;

17 (f) A plant fund group consisting of:

- 18 1. Unexpended plant funds to be used for the acquisition of long lived
19 assets for institutional purposes (capital construction funds);
- 20 2. Funds for renewal, maintenance, and replacement of institutional
21 buildings, equipment and other properties; and
- 22 3. Funds set aside for debt service charges and retirement of indebtedness
23 on institutional plant.

24 (2) A record of each general fund appropriation shall be maintained so as to identify the
25 institutional budgets to which such funds are allotted. Any uncommitted state
26 general funds remaining after the close of business on the last day of the fiscal year
27 shall lapse and be returned to the Treasury of the Commonwealth. Each

1 appropriation shall be used for the intended purpose and where questions of intent
2 arise subject to the provisions of KRS 45.750 and 45.800 in the case of capital
3 construction projects and major items of equipment as defined by these sections, the
4 decision of the secretary of finance and administration, based upon budget work
5 papers, shall be final.

6 (3) A separate account showing sources of revenue and all expenditures shall be
7 maintained for each capital construction project. At the end of each fiscal year, a
8 report containing a listing of all capital construction projects, with sources of funds,
9 expenditures and current status for each, shall be submitted to the Capital Projects
10 and Bond Oversight Committee.

11 (4) Within thirty (30) days after July 15, 1982, the secretary of the Finance and
12 Administration Cabinet shall submit to the Capital Projects and Bond Oversight
13 Committee a complete record of all funds and project records transferred to
14 institutions under the provisions of KRS 164A.555 to 164A.630.

15 (5) Within thirty (30) days after July 15, 1982, the governing boards shall submit to the
16 Capital Projects and Bond Oversight Committee a report containing a complete list
17 of capital construction projects and unexpended plant funds in existence on July 15,
18 1982. The source of funds, expenditures and current status of each project shall be
19 shown.

20 (6) State general funds appropriated by the General Assembly for capital construction
21 projects and equipment purchases as defined in KRS 45.750 through 45.800 shall
22 not lapse at the end of a fiscal year. They shall be carried forward until the project is
23 completed. Any such unexpended funds remaining after acceptance of the project as
24 complete shall be returned to a surplus account of the capital construction fund for
25 investment until appropriated and allotted as provided in KRS 45.750 through
26 45.800.

1 (7) Long lived assets of the institution, including land, buildings, and capital equipment
2 shall be accounted for in the plant fund group.

3 (8) The governing boards of each institution shall make an annual report of the financial
4 activity to the Council on Postsecondary~~[Higher]~~ Education. The report shall meet
5 the requirements of the council's system of uniform financial reporting for
6 institutions of higher education.

7 Section 137. KRS 164A.570 is amended to read as follows:

8 The governing board of any postsecondary educational institution~~[university]~~ making the
9 election prescribed in KRS 164A.560 shall engage a qualified firm of certified public
10 accountants experienced in the auditing of institutions to conduct an annual examination
11 of the institution's financial statements in accordance with generally accepted auditing
12 standards for the purpose of submitting an independent opinion, and preparing a report of
13 findings and recommendations concerning internal accounting controls and procedures,
14 and compliance with KRS 164A.555 to 164A.630. The secretary of the Finance and
15 Administration Cabinet may prescribe the minimum scope of any such audit. The opinion,
16 with the findings and recommendations, shall be forwarded to the Governor, the secretary
17 of the Finance and Administration Cabinet, the Auditor of Public Accounts, the director of
18 the Legislative Research Commission, the president~~[Executive Director]~~ of the Council on
19 Postsecondary~~[Higher]~~ Education, and members of the governing board.

20 Section 138. KRS 164A.575 is amended to read as follows:

21 (1) The governing boards of each institution may elect to purchase interest in real
22 property, contractual services, rentals of all types, supplies, materials, equipment,
23 printing, and services, except that competitive bids may not be required for:

24 (a) Contractual services where no competition exists, such as telephone service,
25 electrical energy, and other public utility services;

26 (b) Food, clothing, equipment, supplies, or other materials to be used in laboratory
27 and experimental studies;

- 1 (c) Instructional materials available from only one (1) source;
- 2 (d) Where rates are fixed by law or ordinance;
- 3 (e) Library books;
- 4 (f) Commercial items that are purchased for resale;
- 5 (g) Professional, technical, scientific, or artistic services, but contracts shall be
- 6 submitted in accordance with KRS 45A.690 to 45A.725;
- 7 (h) All other commodities, equipment, and services which, in the reasonable
- 8 discretion of the board, are available from only one (1) source; and
- 9 (i) Interests in real property.
- 10 (2) Nothing in this section shall deprive the boards from negotiating with vendors who
- 11 maintain a general service administration price agreement with the United States of
- 12 America or any agency thereof, provided, however, that no contract executed under
- 13 this provision shall authorize a price higher than is contained in the contract between
- 14 general service administration and the vendor affected.
- 15 (3) The governing board shall require the institution to take and maintain inventories of
- 16 plant and equipment.
- 17 (4) The governing board shall establish procedures to identify items of common general
- 18 usage among all departments to foster volume purchasing. It shall establish and
- 19 enforce schedules for purchasing supplies, materials, and equipment.
- 20 (5) The governing board shall have power to salvage, to exchange, and to condemn
- 21 supplies, equipment, and real property.
- 22 (6) Upon the approval of the secretary of the Finance and Administration Cabinet, the
- 23 governing board may purchase or otherwise acquire all real property determined to
- 24 be needed for the institution's use. The amount paid shall not exceed the appraised
- 25 value as determined by a qualified appraiser or the value set by the eminent domain
- 26 procedure. **Any real property acquired under this section shall be in name of the**
- 27 **Commonwealth for the use and benefit of the institution.**

- 1 (7) The governing board shall sell or otherwise dispose of all real or personal property
 2 of the institution which is not needed or has become unsuitable for public use, or
 3 would be more suitable consistent with the public interest for some other use, as
 4 determined by the board. The determination of the board shall be set forth in an
 5 order, and shall be reached only after review of a written request by the institution
 6 desiring to dispose of the property. Such request shall describe the property and
 7 state the reasons why the institution believes disposal should be effected. All
 8 instruments required by law to be recorded which convey any interest in any such
 9 real property so disposed of shall be executed and signed by the appropriate officer
 10 of the board. Unless the board deems it in the best interest of the institution to
 11 proceed otherwise, all such real or personal property shall be sold either by invitation
 12 of sealed bids or by public auction; provided, however, that the selling price of any
 13 interest in real property shall not be less than the appraised value thereof as
 14 determined by the Finance and Administration Cabinet or the Transportation Cabinet
 15 for such requirements of that department.
- 16 (8) Real property or any interest therein may, subject to the provisions of KRS Chapter
 17 45A, be purchased, leased, or otherwise acquired from any officer or employee of
 18 any board of the institution, based upon a written application by the grantor or
 19 lessor~~leasee~~ approved by the board, that the employee has not either himself or
 20 through any other person influenced or attempted to influence either the board
 21 requesting the purchase of the property. In any case in which such an acquisition is
 22 consummated, the said request and finding shall be recorded and kept by the
 23 Secretary of State along with the other documents recorded pursuant to the
 24 provisions of KRS Chapter 56.
- 25 (9) For capital construction projects, the bidding may be on a total design-bid basis, a
 26 package system commonly referred to as "turnkey," or construction management,
 27 whichever in the judgment of the board offers the lowest real cost to the taxpayer.

1 Bids shall be reviewed by the institution's engineering staff to assure quality and
 2 value, and compliance with bid procedures. All specifications shall be written to
 3 promote competition.

4 (10) The governing board shall attempt in every practicable way to insure the institution's
 5 supplying its real needs at the lowest possible cost. To accomplish this the board
 6 may enter into cooperative agreements with other public or private institutions of
 7 education or health care.

8 (11) The governing board shall have control and supervision over all purchases of energy
 9 consuming equipment, supplies, and related equipment purchased or acquired by the
 10 institution, and shall designate by regulation the manner in which an energy
 11 consuming item will be purchased so as to promote energy conservation and
 12 acquisition of energy efficient products.

13 (12) The governing board may negotiate directly for the purchase of contractual services,
 14 supplies, materials, or equipment in bona fide emergencies regardless of estimated
 15 costs. The existence of the emergency must be fully explained, in writing, by the vice
 16 president responsible for business affairs and such explanation must be approved by
 17 the university president. The letter and approval shall be filed with the record of all
 18 such purchases. Where practical, standard specifications shall be followed in making
 19 emergency purchases. A good faith effort shall be made to effect a competitively
 20 established price for emergency purchases.

21 Section 139. KRS 165A.320 is amended to read as follows:

22 KRS 165A.310 to 165A.410 shall not apply to any institution offering a four (4) year
 23 college level course recognized by the Council on Postsecondary~~[Higher]~~ Education nor
 24 shall it apply to any religious or nonprofit institution exempt from taxation under the laws
 25 of this state, or which is subject to the provisions of KRS 164.945. KRS 165A.310 to
 26 165A.410 is intended to apply to and regulate proprietary schools including but not

1 limited to correspondence schools which are operated as or are organized for profit,
2 whether profit is ever realized.

3 Section 140. KRS 168.020 is amended to read as follows:

4 As used in KRS 168.010 to 168.100, the following words and terms have the following
5 meanings, unless in any instance, the context shall clearly indicate another meaning, in
6 which event the context shall be controlling:

7 (1) "Authority" means the Kentucky Authority for Education~~ah~~ Television;

8 (2) "Board" means the Kentucky Board of Education;

9 (3) "Department" means the ~~Kentucky~~Kentucky ~~[State]~~ Department of Education;

10 (4) "Public schools" means the state-supported schools of the elementary and secondary
11 levels, as defined in KRS 157.320;

12 (5) "Commission" means the State Property and Buildings Commission of Kentucky;

13 (6) "Council" means the Council on ~~Postsecondary~~Postsecondary ~~[Higher]~~ Education in Kentucky;

14 (7) "University of Kentucky" means the University of Kentucky as one (1) entity,
15 including its present and future extensions;

16 (8) "State colleges and universities" means and includes Eastern Kentucky University,
17 Kentucky State University, Morehead State University, Murray State University,
18 Northern Kentucky University, Western Kentucky University, and the University of
19 Louisville, and institutions in the Kentucky Community and Technical College
20 System ~~but does not include any present or future state-supported junior colleges,~~
21 ~~unless by statute the same are given representation on the council]~~

22 (9) "Educational television" means and includes the production of television programs,
23 the filming or taping thereof, the purchase or lease of filmed or taped programs
24 produced by others, and the transmission or relaying of them for utilization:

25 (a) Which may be used in aid of education in the public schools and state-
26 supported institutions of higher education; and

27 (b) For limited and incidental use in furtherance of other proper public functions;

1 (10) "Television facilities" means and includes sites, buildings, structures, machinery,
 2 equipment, and installations, each with necessary or appropriate appurtenances, used
 3 or useful in the furtherance of educational television;

4 (11) "Related functions" or "related services" means and includes the use of facilities
 5 operated or leased by the authority, or which may be added or connected to such
 6 facilities as permitted by applicable statutes, and to prepare, transmit, or enable the
 7 exchange of nontelevision programs, services, or functions for and among the public
 8 schools, state-supported institutions of higher education, and other state agencies:

9 (a) In aid of education; and

10 (b) For use in other proper public functions; provided, however, that such related
 11 functions or related services may include, but are not limited to, the following
 12 examples: computer-assisted instruction, data for teaching or administrative
 13 purposes, and educational noncommercial radio;

14 (12) "Related facilities" means and includes sites, buildings, structures, machinery,
 15 equipment, and installations, each with necessary or appropriate appurtenances, used
 16 or useful in the furtherance of related functions or services.

17 Section 141. KRS 168.040 is amended to read as follows:

18 (1) The authority shall consist of nine (9) members, as follows:

19 The chief state school officer, ex officio, who shall initially serve as temporary
 20 chairman and shall call and preside over the organizational meeting or meetings until
 21 the members of the authority shall elect a chairman from among their number; a
 22 member of the staff or personnel of the department elected by the board upon
 23 recommendation of the chief state school officer as being qualified to serve as liaison
 24 and coordinator between the authority and the department on matters of curriculum,
 25 and his term shall be the same as that of the chief state school officer by whom he is
 26 recommended, but terminable by the board in the event he is transferred to other
 27 duties in the department, and automatically terminated in the event of his severance

1 from the department for any reason; a representative of the University of Kentucky
 2 and a representative of the state universities to be elected by the Council on
 3 Postsecondary~~Higher~~ Education; and five (5) additional members appointed by the
 4 Governor who need possess no special or prescribed qualifications except that they
 5 shall be citizens of Kentucky.

- 6 (2) Effective at 11:59 p.m. on June 30, 1994, all terms of gubernatorial appointees to
 7 the authority shall expire. Effective July 1, 1994, five (5) appointees nominated
 8 pursuant to KRS 164.005 and appointed by the Governor shall become members of
 9 the authority.

10 Section 142. KRS 194.150 is amended to read as follows:

11 Whenever federal programs require a particular citizens' council within or attached to the
 12 cabinet to include state officials as voting members, the secretary shall, for the specific
 13 purposes of those federal programs, be authorized to vote in those council meetings and
 14 shall further be authorized to call upon either the secretary of the Finance and
 15 Administration Cabinet, or the chief state school officer, or the secretary of the Justice
 16 Cabinet, or the secretary for natural resources and environmental protection, or the
 17 secretary of the Cabinet for Economic Development, or the president~~executive director~~
 18 of the Council on Postsecondary~~Higher~~ Education, or the secretary of the Public
 19 Protection and Regulation Cabinet, or the secretary of the Labor Cabinet or any
 20 combination of the above as may be appropriate, to be voting members of expanded
 21 citizens' councils for the purposes of these federal programs. The secretary shall exercise
 22 this prerogative only when the federal programs specifically require that state officials be
 23 voting members of the citizens' councils.

24 Section 143. KRS 314.142 is amended to read as follows:

- 25 (1) The Kentucky Board of Nursing shall promulgate administrative regulations
 26 pursuant to KRS Chapter 13A to create a Sexual Assault Nurse Examiner Program.
 27 These administrative regulations shall address, at a minimum:

- 1 (a) Educational requirements for sexual assault nurse examiners and statewide
- 2 standards for provision of the education;
- 3 (b) The application process through which registered nurses who submit
- 4 documentation of required education and clinical experience and who remit the
- 5 designated application fee may apply to the board to be credentialed as a
- 6 "Sexual Assault Nurse Examiner";
- 7 (c) Continuing education requirements for maintenance of the sexual assault nurse
- 8 examiner credential; and
- 9 (d) Methods of monitoring overall program implementation.
- 10 (2) For the purpose of providing recommendations to the Kentucky Board of Nursing
- 11 on the development and implementation of the Sexual Assault Nurse Examiner
- 12 Program, there is hereby created a fourteen (14) member Sexual Assault Nurse
- 13 Examiner Advisory Council. The following members shall serve on the council by
- 14 virtue of their office: the executive director of the Kentucky Board of Nursing or the
- 15 executive director's designee; the executive director of the Kentucky Hospital
- 16 Association or the executive director's designee; the state medical examiner or the
- 17 examiner's designee; the secretary of the Cabinet for Human Resources or the
- 18 secretary's designee; the president of the Statewide Association of Rape Crisis
- 19 Centers or the president's designee; the commissioner of the Department for Health
- 20 Services of the Cabinet for Human Resources or the commissioner's designee; the
- 21 chair of the Council on Postsecondary~~Higher~~ Education or the chair's designee;
- 22 the director of the Victim's Advocacy Division of the Office of the Attorney General
- 23 or the director's designee; the director of the Prosecutors Advisory Council of the
- 24 Office of the Attorney General or the director's designee; and the director of the
- 25 Kentucky State Police Crime Lab or the director's designee. Two (2) members shall
- 26 be registered nurses with forensic experience appointed by the Governor from a list
- 27 of three (3) names recommended by the Kentucky Nurses Association. Two (2)

1 members with a demonstrated interest and experience in victims' services shall be
 2 appointed by the Governor to serve as at-large members. Of the at-large members,
 3 one (1) shall be appointed from a list of three (3) names recommended by the
 4 Kentucky Board of Nursing and one (1) from a list of three (3) names recommended
 5 by the Cabinet for Human Resources.

6 (3) Members shall serve at the pleasure of the appointing authority but shall not serve
 7 longer than four (4) years without reappointment.

8 (4) The chair of the advisory council shall be elected by a majority vote of council
 9 members.

10 (5) Each member of the council may be reimbursed for necessary expenses incurred in
 11 attending its meetings from funds available through the collection of fees required
 12 under subsection (1) of this section.

13 Section 144. KRS 332.110 is amended to read as follows:

14 (1) This chapter shall not apply to any school or educational institution which offers to
 15 full-time, regularly enrolled students as a part of its curriculum a course in driving
 16 instruction nor to automobile dealers and their salesmen who give instruction
 17 without charge to purchasers of motor vehicles nor to employers who give
 18 instruction without charge to their employees.

19 (2) This chapter shall not apply to any college within the *Kentucky Community and*
 20 *Technical College System*~~[University of Kentucky community college system]~~
 21 which offers to part-time students a course in drivers instruction where there is no
 22 school licensed pursuant to this chapter in the county.

23 Section 145. KRS 343.020 is amended to read as follows:

24 (1) The Governor shall appoint an Apprenticeship and Training Council composed of
 25 three (3) representatives from employer organizations, and three (3) from employee
 26 organizations, who shall serve for a term of three (3) years and until their successors
 27 are appointed and qualified. The commissioner of workplace standards and the

1 *chancellor for the Technical Institutions' Branch in the Kentucky Community*
 2 *and Technical College System*~~[state official designated by the State Board for~~

3 ~~Adult and Technical Education as being in charge of trade and industrial education]~~

4 shall be ex officio members of the council. The chairman shall be elected by vote of
 5 the Apprenticeship and Training Council. The regular members of the council shall
 6 each have one (1) vote. In the event of a tie vote among the regular members, the
 7 commissioner of workplace standards shall have the right to cast the tie-breaking
 8 vote. Each member of the council shall receive his actual and necessary expenses
 9 incurred in attending its meetings. The council shall meet at the call of the
 10 commissioner and shall aid him in formulating policies for the effective
 11 administration of this chapter. The commissioner with the aid of the council shall
 12 have the authority to make and revise such rules and regulations as he may deem
 13 appropriate to carry out the provisions and purposes of this chapter.

14 (2) The council shall be attached to the Labor Cabinet for administrative purposes.

15 Section 146. KRS 367.660 is amended to read as follows:

16 The following solicitations are exempt from the provisions of KRS 367.650 to 367.670:

17 (1) Solicitations by an organization of contributions from its members and their families
 18 only, if membership is not included in a solicitation to avoid the provisions of KRS
 19 367.650 to 367.670, is not granted upon the basis of contributions alone, and is
 20 within the exception of KRS 367.650(3).

21 (2) Solicitations by a religious organization for funds for religious purposes such as
 22 maintenance of a house of worship, conduct of services, and propagation of its faith
 23 and tenets as distinguished from other charitable and civic purposes employed by
 24 nonreligious organizations.

25 (3) Solicitations by a publicly-owned or nonprofit privately-endowed educational
 26 institution regulated by the Kentucky Board of Education, the Council on
 27 *Postsecondary*~~[Higher]~~ Education, or an equivalent public authority of the

jurisdiction where the institution is located, from the alumni, faculty members, student body of the institution and their families, and from corporations, for the continuance of an established educational program.

- (4) Local solicitations by a student group or parent-teacher association for its campus or group connected activities with the approval of the administration of the educational institution.

Section 147. The following KRS sections are repealed:

151B.160 Buildings for state vocational schools.

164.575 Definition for KRS 164.575 to 164.600.

164.582 Definition for KRS 164.583.

186.1865 Special Kentucky Tech license plates.

Section 148. Whereas it is critical that an orderly transfer be made to establish the Kentucky Community and Technical College System by July 1, 1998, there is hereby established a statewide transition team to be composed of the current Chancellor of the University of Kentucky Community College, the Commissioner for the Department for Technical Education, a representative of the finance and personnel offices for each system, a representative from the Governor's Office for Policy and Management, and the Governor's Office, and to be headed by the State Budget Director. The transition team shall be appointed by the Governor within one month of the enactment of this Act. Planning and policy development for the use of all appropriations for the 1996-98 biennium related to operations, management, and support of the Kentucky Tech System, vocational-technical funds administered by the Cabinet for Workforce development, operations, management, and support of the University of Kentucky Community College System, and other funds designated for these purposes, and transfer of the personnel and funds to the new systems shall be administered by the State Budget Director, utilizing the appropriate transition staff. All such policy direction shall be communicated to the Legislative Research Commission, the Interim Joint Committee on Appropriations and

1 Revenue and the Interim Joint Committee on Education. Moreover, it is the intent of the
2 General Assembly that all personnel and resources within the agencies described in this
3 section identified by the State Budget Director as being necessary to assist in carrying out
4 the provisions of this section shall be made available to the Governor's Office for Policy
5 and Management by the chief administrators of each agency. The purpose of this provision
6 is to provide policy transition for the purpose of implementing the provisions of the
7 Kentucky Postsecondary Education Improvement Act of 1997. This authority shall
8 continue only until such time as the first president of the Kentucky Community and
9 Technical College System is employed by the board of regents for the Kentucky
10 Community and Technical College System.

11 Section 149. If any provision of this Act or the application thereof to any person or
12 circumstance is held invalid, the invalidity shall not affect other provisions or applications
13 of the Act which can be given effect without the invalid provision or application, and to
14 this end the provisions of this Act are severable.

15 Section 150. Whereas it is critical that an implementation plan be developed and
16 specific personnel, board, and council appointments be made by July 1, 1997, an
17 emergency is declared to exist, and this Act takes effect upon its passage and approval by
18 the Governor or upon its otherwise becoming a law.